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# DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 1987

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# REPORT

OF THE

# COMMITTEE ON APPROPRIATIONS

together with

## DISSENTING VIEWS

[To accompany H.R. 5438]

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99TH CONGRESS
*2d Session*

HOUSE OF REPRESENTATIVES

REPORT
99-793

# DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 1987

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AUGUST 14, 1986.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. CHAPPELL, from the Committee on Appropriations, submitted the following

# REPORT

together with

## DISSENTING VIEWS

[To accompany H.R. 5438]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Defense, and for other purposes, for the fiscal year ending September 30, 1987.

## APPROPRIATIONS AND BUDGET ESTIMATES

Appropriations for most military functions of the Department of Defense are provided for in the accompanying bill for the fiscal year 1987. This bill does not provide for military construction, military family housing, civil defense, or nuclear warheads, for which requirements are considered in connection with other appropriations bills.

The new budget (obligational) authority enacted for the fiscal year 1986, the President's budget estimates, and amounts recommended by the Committee for the fiscal year 1987 appear in summary form in the following table:

## COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—

| Agency and item | New budget (obligational) authority, fiscal year 1986 [1] | Budget estimates of new (obligational) authority, fiscal year 1987 | New budget (obligational) authority recommended in bill | Bill compared with— | |
|---|---|---|---|---|---|
| | | | | New budget (obligational) authority, fiscal year 1986 | Budget estimates of new (obligational) authority, fiscal year 1987 |
| RECAPITULATION | | | | | |
| Title I - Military Personnel | 67,671,936,000 | 74,202,900,000 | 72,404,112,000 | +4,732,176,000 | -1,798,788,000 |
| Title II - Operation and Maintenance | 74,818,297,000 | 85,773,000,000 | 78,109,862,000 | +3,291,565,000 | -7,663,138,000 |
| Title III - Procurement | 92,607,981,000 | 95,656,700,000 | 79,455,530,000 | -13,152,451,000 | -16,201,170,000 |
| (Transfer from other accounts) | (345,400,000) | --- | (2,520,027,000) | (+2,174,627,000) | (+2,520,027,000) |
| Title IV - Research, Development, Test, and Evaluation | 33,607,192,000 | 41,929,900,000 | 33,956,074,000 | +348,882,000 | -7,973,826,000 |
| (Transfer from other accounts) | (316,886,000) | --- | (144,573,000) | (-172,313,000) | (+144,573,000) |
| Title V - Special foreign currency program | 1,997,000 | 3,500,000 | 3,500,000 | +1,503,000 | --- |
| Title VI - Revolving and management funds | 1,654,695,000 | 1,197,300,000 | 908,300,000 | -746,395,000 | -289,000,000 |
| Title VII - Chemical Agents and Munitions Destruction, Defense | --- | 120,100,000[2] | 120,100,000 | +120,100,000 | --- |
| Title VIII - Related agencies | 122,401,000 | 148,738,000 | 147,338,000 | +24,937,000 | -1,400,000 |
| Title IX - General provisions (additional transfer authority, sec. 9015) | (950,000,000) | (1,200,000,000) | (1,200,000,000) | (+250,000,000) | --- |
| Total, Department of Defense (NOA) | 270,484,499,000 | 299,032,138,000 | 265,104,816,000 | -5,379,683,000 | -33,927,322,000 |
| (Transfer from other accounts) | (662,286,000) | --- | (2,664,600,000) | (+2,002,314,000) | (+2,664,600,000) |
| Total funding available | 271,146,785,000 | 299,032,138,000 | 267,769,416,000 | -3,377,369,000 | -31,262,722,000 |
| (Transfer authority) | (950,000,000) | (1,200,000,000) | (1,200,000,000) | (+250,000,000) | --- |

Distribution by organizational component:

| | | | | | |
|---|---|---|---|---|---|
| Army | 69,432,015,000 | 76,920,500,000 | 70,184,418,000 | +752,403,000 | -6,736,082,000 |
| (Transfer from other accounts) | --- | --- | (399,185,000) | (+399,185,000) | (+399,185,000) |
| Navy | 91,990,527,000 | 100,890,000,000 | 89,046,533,000 | -2,943,994,000 | -11,843,467,000 |
| (Transfer from other accounts) | --- | --- | (1,369,804,000) | (+1,369,804,000) | (+1,369,804,000) |
| Air Force | 91,932,182,000 | 101,643,100,000 | 88,040,975,000 | -3,891,207,000 | -13,602,125,000 |
| (Transfer from other accounts) | (662,286,000) | --- | (869,111,000) | (+206,825,000) | (+869,111,000) |
| Defense Agencies/OSD | 15,537,836,000 | 19,309,700,000 | 16,806,384,000 | +1,268,548,000 | -2,503,316,000 |
| (Transfer from other accounts) | --- | --- | (33,500,000) | (+33,500,000) | (+33,500,000) |
| Reserve & National Guard (procurement) | 1,469,538,000 | --- | 752,068,000 | -717,470,000 | +752,068,000 |
| Chemical Agents and Munitions Destruction, Defense | --- | 120,100,000 | 120,100,000 | +120,100,000 | --- |
| Related agencies | 122,401,000 | 148,738,000 | 147,338,000 | +24,937,000 | -1,400,000 |
| Total, Department of Defense (NOA) | 270,484,499,000 | 299,032,138,000 | 265,104,816,000 | -5,379,683,000 | -33,927,322,000 |
| (Transfer from other accounts) | (662,286,000) | --- | (2,664,600,000) | (+2,002,314,000) | (+2,664,600,000) |
| Total funding available | 271,146,785,000 | 299,032,138,000 | 267,769,416,000 | -3,377,369,000 | -31,262,722,000 |
| (Transfer authority) | (950,000,000) | (1,200,000,000) | (1,200,000,000) | (+250,000,000) | --- |

1/ Represents appropriations after Gramm-Rudman-Hollings reductions and includes amounts in "Urgent Supplemental Appropriations Act, 1986."

2/ Submitted in the budget request as a line item in Title III--Procurement.

## SUMMARY OF COMMITTEE RECOMMENDATIONS

The budget estimates for fiscal year 1987 for activities of the Department of Defense and related agencies total $299,032,138,000. The amounts recommended by the Committee in the accompanying bill total $265,104,816,000 in new budget (obligational) authority and $2,664,600,000 in transfers from other accounts resulting in total obligational authority of $267,769,416,000. The total obligational authority recommended is $31,262,722,000 below the budget estimates and is $3,377,369,000 below the sums made available for the same purposes for fiscal year 1986, after adjustments required by the Balanced Budget and Emergency Deficit Control Act of 1985.

The Committee has made every effort to avoid reductions in the nation's defense readiness while recognizing the need to reduce federal expenditures in all areas in order to reduce the large deficits facing the federal government. The reductions in the Military Personnel and Operation and Maintenance appropriations result from mandated authorization reductions, reductions in areas where funds were requested in excess of requirements and reductions in non-readiness programs. The Committee believes that the sums made available to the Defense Department over the past six or seven years together with the amounts recommended in the accompanying bill are quite adequate to continue to support our national defense requirements.

### COMMITTEE BUDGET REVIEW PROCESS

During the regular review of the fiscal year 1987 budget, the Subcommittee held hearings on 23 days. These hearings commenced on February 18, 1986, and concluded May 1, 1986. Testimony received by the Subcommittee totaled approximately 4,200 pages of transcript, including approximately 100 pages of hearings on various fiscal year 1986 reprogrammings.

Of the total, some 800 pages were not printed due to the security classification of the material discussed. Approximately 3,400 transcript pages were printed and released in eight volumes totalling 6,400 printed pages. Almost 33 percent of the hearings were held in open session. Executive or closed sessions were held only when the security classification of the material to be discussed presented no alternative.

## FRAUD, WASTE, AND ABUSE

The Committee continues to be concerned over the issues of fraud, waste, and abuse in Department of Defense operations. Over the years, the Committee has had a continuing investigation in process concerning the procurement policies and practices and other activities of the Department of Defense. The findings have generally been made available to the Department for correction of deficiences and for further investigations, if warranted. In February, 1981, the Committee again requested its investigative staff to conduct a major investigation of the procurement practices of the Defense Department which revealed many areas of waste and abuse and these studies were provided to the Department and printed in the public record. The Committee has had reports from the Department that corrections have been made but procurement abuses continue to surface. This deeply concerns the Committee because constant and continued oversight must be maintained over procurement policies and other Department activities in order to minimize the waste in all areas of defense.

The Committee does note that statistics from the Department indicate an increase in the number of audits and investigations conducted by defense organizations and in potential savings resulting from improvements in military procurement and in increased management attention given to all these issues.

The Committee has provided adequate funding to increase the Department's audits, investigations and quality assurance procedures aimed at improving the operations of the Defense Department. The Department is urged to review its present policies and practices and to make such changes as may be necessary to insure against waste and abuse within the defense establishment. The Committee directs the Department to keep it informed and up to date on all developments, improvements, problems and recommended changes in this area.

## PROGRAM HIGHLIGHTS

### MILITARY PERSONNEL

The Committee's recommended adjustments provide a net reduction of $1.8 billion. The Committee's reductions are largely based on recommendations made by the House Armed Services Committee during consideration of the fiscal year 1987 Department of Defense budget request.

Funding was provided for an authorized active duty end strength of 2,169,370, which is 11,730 less than the Department requested. Funding was also provided for for a 1,174,088 selected reserve end strength, 12,112 less than requested.

### OPERATION AND MAINTENANCE

The Committee's recommended adjustments fall into three major categories, which result in a net reduction of approximately $7.7 billion. The Committee attempted to make reductions in the Operation and Maintenance accounts which would have minimal impacts on readiness of our forces and would not place them below 1986 levels. Considering that fuel prices are over $3 billion less in fiscal year 1987 than in fiscal year 1986, the Committee's recommended amounts will hold fiscal year 1987 funds at approximately the fiscal year 1986 levels.

The first major adjustment is a reduction of $4.5 billion as a result of pricing adjustments such as reduced fuel prices, lower than anticipated inflation, increases in competition and improvements in the Department's acquisition process. The Department has testified to the Committee on numerous occasions that these types of pricing adjustments have little or no impact on Defense programs.

The second major adjustment is a $1.0 billion reduction resulting from programs or funds which failed to be authorized in the 1987 Defense Authorization Act.

The final major adjustment is a reduction of $2.2 billion resulting from those programs the Committee believes are unnecessary, duplicative, or are not properly funded.

## PROCUREMENT

Procurement of 120 AH-64 Apache helicopter gunships, 78 UH-60 Black Hawk utility helicopters, 593 Bradley Fighting Vehicles, 700 Patriot missiles, and 840 M1 tanks for the Army.

Procurement of 84 F/A-18 aircraft, 15 F-14 aircraft, 42 AV-8B aircraft, 50 MK-48 ADCAP torpedoes, and 500 MK-46 torpedoes for the Navy and Marine Corps.

Construction of 1 Trident submarine, 4 SSN-688 nuclear powered attack submarines, 2 CG-47 AEGIS cruisers, and 3 DDG-51 destroyers for the Navy.

Procurement of 36 F-15 aircraft, 180 F-16 aircraft, 8 KC-10 aircraft, 21 C-5B aircraft, 12 T-46 aircraft, 5 MC-130H aircraft, and 3 TR-1/U-2 aircraft for the Air Force. In addition, procurement of 50 KC-135 reengining modifications, 12 MX missiles, and 180 AMRAAM missiles.

## RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Funded a total of $825,507,000 for Defense Research Sciences.

Provided $48,735,000 to continue development of a new medium anti-tank weapon.

Allowed $60,000,000 for continued development of the Aquila RPV system.

Provided $40,000,000 for the LHX program.

Funded development of the Trident II strategic missile system at $1,500,000,000.

Provided $340,000,000 to continue development of the tilt-rotor V-22 aircraft.

Allowed $188,825,000 for continuation of Advanced Lightweight Torpedo development.

Funded ICBM Modernization at $1,575,498,000.

Provided $547,262,000 to continue development of the C-17 transport aircraft.

Allowed $39,080,000 for Advanced Medium Range Air-to-Air Missile development.

Provided $2,846,000,000 for the Strategic Defense Initiative.

Allowed $143,980,000 for experimental evaluation of major innovative technologies.

## UNEXPENDED AND UNOBLIGATED BALANCES

The following tables compare the unexpended and unobligated balances for the military functions of the Department of Defense over the past 27 years for both the entire Defense Budget and the accounts covered by the bill. The unobligated balances associated with the accounts are projected in the budget to increase between the end of the fiscal year 1985 and the end of fiscal year 1987 from

**$50.7 billion to $51.9 billion. The unexpended balances at the end of fiscal year 1985 and the end of fiscal year 1987 are projected to increase from $214.6 billion to $266.7 billion.**

## UNOBLIGATED BALANCES, FISCAL YEARS 1961–87

[In millions of dollars]

| Fiscal year | Total unobligated balance[1] | Pertaining to appropriations in the basic DOD appropriation bill |
|---|---|---|
| At the end of fiscal year: | | |
| 1961 | 7,167 | 6,483 |
| 1962 | 7,120 | 6,584 |
| 1963 | 9,170 | 8,150 |
| 1964 | 9,961 | 9,008 |
| 1965 | 11,029 | 10,103 |
| 1966 | 13,854 | 11,830 |
| 1967 | 13,725 | 12,244 |
| 1968 | 13,494 | 11,666 |
| 1969 | 13,669 | 12,022 |
| 1970 | 13,565 | 11,966 |
| 1971 | 11,463 | 9,689 |
| 1972 | 10,203 | 8,319 |
| 1973 | 10,911 | 9,009 |
| 1974 | 13,393 | 11,131 |
| 1975 | 15,375 | 12,795 |
| 1976 | 18,655 | 15,697 |
| 1977 | 17,651 | 15,613 |
| 1978 | 18,531 | 16,772 |
| 1979 | 17,862 | 16,158 |
| 1980 | 19,369 | 17,750 |
| 1981 | 23,239 | 21,369 |
| 1982 | 31,354 | 28,025 |
| 1983 | 39,710 | 35,716 |
| 1984 | 47,817 | 43,617 |
| 1985 | 54,857 | 50,704 |
| 1986 estimate | 53,246 | 49,674 |
| 1987 estimate | 56,018 | 51,871 |

[1] Basic and military construction bills.

Note: Unobligated balances for revolving funds and trust funds are excluded from this table.

## UNEXPENDED BALANCES, FISCAL YEARS 1961–87

[In millions of dollars]

| Fiscal year | Total unexpended balance [1] | Pertaining to appropriations in the basic DOD appropriation bill |
|---|---|---|
| At the end of the fiscal year: | | |
| 1961 | 26,922 | 25,204 |
| 1962 | 27,301 | 25,765 |
| 1963 | 27,737 | 25,955 |
| 1964 | 27,560 | 25,805 |
| 1965 | 29,989 | 28,194 |
| 1966 | 38,540 | 35,441 |
| 1967 | 42,541 | 39,937 |
| 1968 | 43,225 | 40,111 |
| 1969 | 40,957 | 38,157 |
| 1970 | 37,394 | 35,755 |
| 1971 | 33,814 | 30,953 |
| 1972 | 33,829 | 30,614 |
| 1973 | 37,143 | 33,462 |

### UNEXPENDED BALANCES, FISCAL YEARS 1961-87—Continued

[In millions of dollars]

| Fiscal year | Total unexpended balance [1] | Pertaining to appropriations in the basic DOD appropriation bill |
|---|---|---|
| 1974 | 40,569 | 36,522 |
| 1975 | 40,515 | 35,977 |
| 1976 | 47,539 | 42,964 |
| 1977 | 58,616 | 53,785 |
| 1978 | 69,125 | 64,632 |
| 1979 | 77,423 | 72,619 |
| 1980 | 84,118 | 79,658 |
| 1981 | 102,087 | 96,535 |
| 1982 | 129,855 | 122,075 |
| 1983 | 159,792 | 150,605 |
| 1984 | 190,409 | 180,218 |
| 1985 | 226,231 | 214,607 |
| 1986 estimate | 244,332 | 231,822 |
| 1987 estimate | 282,244 | 266,679 |

[1] Basic and military construction bills.

Note: Unexpended balances for revolving funds, trust funds and unfunded contract authority are excluded from this table. Effective with the fiscal year 1986 Budget, the Retired Pay, Defense appropriation was presented in the DOD-Civil Chapter. Therefore, fiscal year 1984 unexpended balances of $40,512,000 in the Retired Pay, Defense Appropriation were not included in the DOD Military Chapter. The above table also excludes Retired Pay, Defense, starting in fiscal year 1984.

As shown above, an estimated $231.8 billion balance of unexpended funds will be carried into fiscal year 1987 pertaining to the appropriation accounts provided for in the accompanying bill. Of this amount, about $182.1 billion (unliquidated obligations) represents legally binding documents calling for ultimate cash payment such as contracts for ship, aircraft, or missile construction. Such major weapons systems are normally funded even though deliveries may not occur for 2 or 3 years in the case of capital ships.

Approximately $49.7 billion of the carry-over (unobligated) balances represents amounts which are made available to fund approved programs, but which are not yet obligated in the technical legal sense. By and large these funds are committed to the programs for which initially appropriated awaiting the completion of the contracting or other legal prerequisites of obligations.

## REPROGRAMMING ACTIONS APPLICABLE TO THE DEPARTMENT OF DEFENSE APPROPRIATION ACTS

Throughout the fiscal year, the Department of Defense is given authority to reprogram or transfer funds to programs considered by DOD to be of higher priority. As in any financial plan, funding requirements change during the fiscal year making it necessary to institute certain adjustments. While the Committee realizes a certain degree of flexibility is needed in any budget plan, it feels these reprogramming actions should be kept to an absolute minimum.

The reprogramming actions consist of reprogrammings requiring specific congressional approval, reprogrammings requiring congressional notification and reprogrammings able to be carried forth by the Department of Defense without congressional action or notification. As is reflected in the following table, in fiscal year 1985, a total of 945 reprogramming actions were implemented by the Department of Defense totalling some $3,792,000,000.

## REPROGRAMMING ACTIONS FOR FISCAL YEARS 1980–85

| Fiscal year | Number of actions | Total amount (in millions) |
|---|---|---|
| 1980: | | |
| Requiring congressional action | 69 | $1,161 |
| Not requiring congressional action | 973 | 1,004 |
| 1981: | | |
| Requiring congressional action | 47 | 788 |
| Not requiring congressional action | 1,300 | 1,400 |
| 1982: | | |
| Requiring congressional action | 60 | 1,303 |
| Not requiring congressional action | 1,597 | 2,399 |
| 1983: | | |
| Requiring congressional action | 85 | 2,275 |
| Not requiring congressional action | 1,020 | 1,706 |
| 1984: | | |
| Requiring congressional action | 87 | 1,335 |
| Not requiring congressional action | 1,112 | 1,791 |
| 1985: | | |
| Requiring congressional action | [1]69 | [1]1,711 |
| Not requiring congressional action | 876 | 2,081 |

[1] Excludes 6 actions totalling $215 million which are awaiting congressional approval.

## RELATIONSHIP WITH BUDGET OFFICES

Through the years, the Appropriations Committee has channeled most of its inquiries and requests for assistance through the budget offices or comptroller organizations of the Defense Department and military services. The Committee believes the natural affinity between these organizations and the Appropriations Committee makes such a relationship imperative. The Committee reiterates its position that while it always reserves its right to call upon all organizations of the Defense establishment for assistance, the primary interface of the Appropriations Committee and the Department of Defense necessarily must be through the budget offices and comptroller organizations.

The Committee appreciates the assistance received from all of the organizations of the Defense Department this year. The workload generated by the budget process is large and growing but entirely essential to the American governmental process.

## GUARD AND RESERVE FORCES

### SUMMARY

For ease of reference, all Guard and Reserve issues will be discussed under this section of the report.

The following tables summarize funding and personnel levels of Guard and Reserve programs in recent years. Although provided in separate legislation, military construction funding is included to indicate total federal support of Guard and Reserve forces.

[Dollar amounts in thousands]

| | 1985 actual | 1986 estimate | 1986 after Gramm/Rudman | 1987 request |
|---|---|---|---|---|
| Military personnel | $591,420 | $596,765 | $596,765 | $584,926 |
| Reserve and Guard personnel | 7,703,307 | 8,710,455 | 8,655,034 | 9,464,500 |
| Operation and maintenance | 5,734,048 | 6,149,650 | 5,852,401 | 6,529,500 |
| Procurement | 5,008,800 | 5,215,200 | 5,000,981 | 2,778,400 |
| Military construction | 407,709 | 389,631 | 370,540 | 451,200 |
| Total | 19,445,284 | 21,061,701 | 20,475,721 | 19,808,526 |
| End strength: | | | | |
| Civilians | 80,998 | 81,651 | | 81,604 |
| (Technicians) | (64,081) | (66,086) | | (67,418) |
| Active military | 14,697 | 13,952 | | 14,961 |
| Reserve military | 1,088,062 | 1,134,577 | | 1,186,200 |
| (Full-time) | (54,895) | (64,277) | | (76,389) |
| Total | 1,183,757 | 1,230,180 | | 1,282,765 |

The Committee's recommendations for fiscal year 1987 continue its long-standing support of the Guard and Reserve. Unless otherwise indicated in this section, the Committee funded the amounts requested for the reserve components in fiscal year 1987.

The P-1R exhibit provided by the Department identified that portion of the total fiscal year 1987 request for each item of equipment designated for the reserve components. Funding for major items of equipment is contained in the accompanying bill and the amounts identified in the P-1R, unless adjusted by the Committee, should be provided to the reserve components.

The following are examples of items of equipment included in the P-1R for which funds have been included in the bill:

—36 UH-60A Black Hawk helicopters of which 15 are for the Army National Guard and 21 for the Army Reserve.

—6 EH-60A Quickfix helicopters for the Army National Guard.

—120 Abrams tanks for the Army National Guard.

—36 155mm howitzers for the Marine Corps Reserve.

—$292,400,000 for spare parts for the Air Force Reserve and Air National Guard.

—$80,500,000 for C-130 modifications for the Air Force Reserve and Air National Guard.

In addition, the Committee recommends the following increases for Guard and Reserve equipment, totaling $752,068,000, above the budget request:

—$100,000,000 for miscellaneous equipment for the Army Reserve;

—$242,968,000 for 7 P-3Cs, $38,000,000 for CSAR helicopters, $20,000,000 for aircraft support equipment and $8,000,000 for airborne mine countermeasures for the Navy Reserve;

—$3,600,000 for communications/electronics equipment, $29,300,000 for engineering equipment, $1,100,000 for analyzer set engine (STE/ICE), and $40,000,000 for two KC-130T aircraft for the Marine Corps Reserves;

—$150,000,000 for eight C-130H aircraft for the Air Force Reserve;

- —$25,000,000 for non-system training devices, $23,500,000 for communications equipment, and $20,600,000 for 5-ton trucks for the Army National Guard; and
- —$50,000,000 for miscellaneous equipment for the Air National Guard.

The Committee also recommends an additional $30,000,000 for automatic data processing requirements and $35,600,000 above the budget request for drug interdiction activities of the Reserve Forces.

### AIR COMBAT MANEUVERING INSTRUMENTATION RANGES

Last year the Committee directed that a study be conducted to determine if the Air National Guard had adequate access to Tactical Aircrew Combat Training Systems and Air Combat Maneuvering Instrumentation ranges (TACTS/ACMI). That study and testimony before the Committee this year confirmed that with minimal investment, Guard aircrews could increase their level of training time at these ranges to gain parity with the active force. Therefore, the Committee directs that of the funds authorized for Air National Guard equipment, $15,200,000 should be made available for increased TACTS/ACMI time sharing facilities for the Air National Guard. Since the study the Committee requested revealed that 66 percent of the Air National Guard Tactical Force is located on the East Coast, the Committee understands that with this equipment at the Savannah, ANG base and the Jacksonville, ANG base, Guard Air Crews would be able to accomplish 50 percent of their required TACTS/ACMI training.

### C–12 AIRCRAFT

The Committee agrees with the House Armed Services Committee that $25,400,000 of the fiscal year 1987 Army and Air Force aircraft procurement appropriations should be reallocated to buy four C–12 aircraft for the Army National Guard, of which two will be C–12J models, and four C–12J aircraft for the Air National Guard. The Committee directs the Assistant Secretary of Defense (Comptroller) to ensure that the mandatory reallocation is reflected on the fiscal year 1987 DD Form 1414, Base for Reprogramming Actions submitted to Congress.

### P–3C ANTISUBMARINE WARFARE PATROL AIRCRAFT (ORION)

The Navy did not request funds for Navy Reserve P–3C aircraft in fiscal year 1987. The Committee recommends $242,968,000 to procure seven P–3C aircraft for the Navy Reserve, which is the number of aircraft required to complete the outfitting of the first Reserve P–3C squadron and first and second Reserve P–3C Master Augmentation Units. The Secretary of the Navy submitted to the Congress a plan for modernization of the Navy Reserve in February of 1985 in which he committed to outfit the first Navy Reserve P–3C squadron and to outfit the three Master Augment Units (MAUs) with P–3C aircraft by fiscal year 1988. These aircraft when combined with those authorized and appropriated in fiscal year 1986 will be used to partially fulfill this plan.

## RESERVE COMPONENTS FULL-TIME SUPPORT STRENGTHS

Full-time support in the Guard and Reserve components occurs in four categories: civilian technicians, Active Guard and Reserve (AGR), non-technician civilians and active component members. The Committee is aware that for a number of local Guard and Reserve units the technicians are essential for recruiting, and for the maintenance of public support for the local units, the Guard and Reserve and the military establishment generally. Full-time support end strength in all categories totalled 150,590 in fiscal year 1985. A total of 159,880 is estimated for fiscal year 1986 and the fiscal year 1987 budget request is 172,954. While overall full-time support end strengths have increased in recent years, the growth in AGR end strength has been dramatic, rising in five years from 38,515 to the requested 1987 level of 76,389. As a percentage of selected reservists, AGRs have increased from 3.8 percent in 1983 to 6.4 percent in the 1987 budget.

Although the Committee has generally supported the growth in full-time support end strengths, it has made reductions in prior years in certain AGR requested increases. For fiscal year 1987, the Committee recommends a reduction of $214,881,000 from the total requested for AGR end strength, denying funding to support the requested increase of 12,112. The Committee supports the requested civilian technician end strength increase of 1,332 and, in addition, has added $12,284,000 to the Operation and Maintenance, Air National Guard account to provide for a civilian technician end strength increase of 501 above the budget request. The Committee takes these actions in light of the harsh budget realities, and not due to a loss of confidence in the AGR program. In addition, the Committee has retained the provision carried in recent appropriation acts which prohibits the in place conversion of positions from civilian technician status to Active Guard and Reserve status.

The Committee also recommends the following reductions related to the AGR end strength freeze:

| | |
|---|---|
| Reserve Personnel, Navy—Subsistence | −$3,143,000 |
| O&M, Army Reserve—AGR training | −1,436,000 |
| O&M, Army Reserve—AGR force professional training | −650,000 |
| O&M, Navy Reserve—Headquarters support | −456,000 |
| O&M, Marine Corps Reserve—general support | −1,082,000 |

The following table summarizes Guard and Reserve full-time support end strengths:

GUARD AND RESERVE FULL-TIME SUPPORT END STRENGTHS

| | Fiscal year 1986 estimate | Fiscal year 1987 request | Fiscal year 1987 House authorization | Committee recommendation | Recommendation compared with request |
|---|---|---|---|---|---|
| Army Reserve: | | | | | |
| AGR | 12,157 | 13,657 | 12,657 | 12,157 | −1,500 |
| Technicians | 7,623 | 8,032 | 8,032 | 8,032 | |
| Navy Reserve: TAR | 19,010 | 23,197 | 20,510 | 19,010 | −4,187 |
| Marine Corps Reserve: Full-time reserves | 1,475 | 1,782 | 1,645 | 1,475 | −307 |
| Air Force Reserve: | | | | | |
| AGR | 635 | 676 | 665 | 635 | −41 |
| Technicians | 9,042 | 9,175 | 9,175 | 9,175 | |

### GUARD AND RESERVE FULL-TIME SUPPORT END STRENGTHS—Continued

| | Fiscal year 1986 estimate | Fiscal year 1987 request | Fiscal year 1987 House authorization | Committee recommendation | Recommendation compared with request |
|---|---|---|---|---|---|
| Army National Guard: | | | | | |
| AGR | 23,731 | 28,721 | 25,231 | 23,731 | −4,990 |
| Technicians | 26,629 | 27,129 | 27,129 | 27,129 | |
| Air National Guard: | | | | | |
| AGR | 7,269 | 8,356 | 8,169 | 7,269 | −1,087 |
| Technicians | 22,792 | 23,082 | 23,082 | 23,583 | +501 |
| Total: | | | | | |
| AGR/TAR | 64,277 | 76,389 | 68,877 | 64,277 | −12,112 |
| Technicians | 66,086 | 67,418 | 67,418 | 67,919 | +501 |

## UNIT AND INDIVIDUAL TRAINING

The House Armed Services Committee limited the authorization of funds for reserve unit and individual training to a level $112,500,000 below the budget request. The Committee concurs with this recommendation and has applied the reduction as follows:

| | *Thousands* |
|---|---|
| Army Reserve | −$29,600 |
| Navy Reserve | −17,000 |
| Marine Corps Reserve | −3,700 |
| Air Force Reserve | −9,200 |
| Army National Guard | −43,300 |
| Air National Guard | −9,700 |

## INDIVIDUAL READY RESERVE MOBILIZATION TEST

Included in the Department of Defense's 1987 budget request is $61,000,000 for an Individual Ready Reserve Mobilization Test.

The funds would cover costs of a one-day mandatory muster for all Individual Ready Reservists. Most of the funds would provide for pay and transportation costs of IRR members, as well as postage, mailing, and administrative costs.

There are approximately 500,000 individuals in the ready reserve—mostly people who have recently served in the active forces or selected reserve and have some period of obligated service remaining on their contract. Most members of the IRR do not participate in organized training.

In fiscal year 1986, $2,000,000 was authorized and approximately $1,000,000 obligated on a voluntary test muster for the Army Individual Ready Reserve program. The purpose of the test muster was to determine the adequacy of call-up plans and provide data on the physical condition and military skill retention of IRR members. The Army's report on the test muster concluded: "An accurate national emergency call-up response rate probably cannot be determined in a peacetime environment because individual and public attitudes toward a particular crisis cannot be simulated".

The Committee has denied all funds requested for the mandatory IRR test muster based on budget priorities and the results of the voluntary test muster conducted in 1986.

## ARMY RESERVE SPECIAL TRAINING

The Committee recommends $115,214,000 for Army Reserve Special Training. This is a reduction of $5,000,000 below the budget request. The recommended funding will allow minor growth above the 1986 level of $113,081,000 and will provide for more than 800,000 man days of special training.

## ARMY RESERVE SENIOR ROTC NON-SCHOLARSHIP PROGRAM

Recent experience indicates some overstatement of requirements for the Senior ROTC Non-Scholarship program. In 1985, actual expenses were $29,625,000 compared to an estimate of $34,637,000. In addition, the original 1986 estimate of $40,666,000 has been revised to $31,504,000. Based on this experience, the Committee recommends a reduction of $5,000,000 below the 1987 budget request of $37,536,000.

## NAVY RESERVE SCHOOL TRAINING

Based on overestimates of requirements in prior years and on the recommended freeze in AGR end strength the Committee has reduced the requested funding of $15,166,000 for Navy Reserve School Training by $1,320,000.

## NAVY RESERVE SPECIAL TRAINING

The 1987 budget request includes $3,905,000 for exercises—a part of Navy Reserve special training. This represents an increase of 24 percent above the 1986 level of $3,244,000. The Committee recommends a reduction of $649,000, which will allow the same number of participants (1,783) and man days (17,118) as were funded in 1986, adjusted for expected rate changes.

## NAVY RESERVE AND MARINE CORPS PCS MOVES

In recent years, the number of permanent change of station (PCS) moves for full-time active duty Naval reservists has increased dramatically. In 1985, for example, the number of PCS moves was 7,135. This represented 50 percent of the average strength for the full-time personnel, or TARS (Training and Administration of Reserves). The comparable figures in the 1987 budget request are 11,492 moves and 55 percent. The Committee recommends limiting the number of PCS moves to 50 percent of estimated average work years, or 9,505, for a reduction of $4,081,000.

PCS moves in the Marine Corps Reserve have also experienced considerable growth recently, rising from 350 moves in 1985 to an estimated 490 in 1987. The Committee recommends a reduction of $81,000, which will allow for the number of moves performed in 1986 (375) adjusted for inflation.

## ARMY NATIONAL GUARD SCHOOL TRAINING

Growth in the school training program has more than doubled in four years, from $95,232,000 in 1984 to the 1987 request of $207,547,000. The growth far exceeds the increase in the number of selected reservists, which has only increased by 13 percent. The

1987 request alone represents an increase of nearly 22 percent. The Committee believes this growth to be excessive and recommends a reduction of $20,222,000. This level will still permit an increase of 10 percent above the 1986 level of $169,867,000.

### ARMY NATIONAL GUARD SPECIAL TRAINING

The Army National Guard's Special Training activity has also experienced considerable growth recently, more than doubling from $81,656,000 in 1984 to the 1987 budget request of $191,622,000. The Committee recommends $177,211,000 for special training in 1987, including not to exceed $5,654,000 for the competitive events component. The total recommended will fund the 1986 level, adjusted for price changes, plus 10 percent real growth.

### ARMY RESERVE ADP

The Army recently cancelled the Continental Army Management Information System (CAMIS) ADP project, after an approximate $50,000,000 investment by Congress since 1979. This project was to provide basic automation to the Army reserve forces and the capability provided would be critical to effective mobilization of the Army in wartime. While budgeting large amounts to expand active Army systems, the Army continues to neglect the reserve forces. This is unacceptable to the Committee. In addition, the Army provided very poor responses to the Committee's hearing questions on this subject.

The Committee recommends that $10,000,000 be transferred from the active Army Operation and Maintenance appropriation to the Army Reserve to provide basic automation capabilities as was envisioned by the CAMIS project. The Committee assumes that the Comptroller of the Defense Department, who testified that an Office of the Secretary of Defense level review would be conducted on the CAMIS follow-on effort, will ensure that these funds will fit into an overall Army strategy for automating its reserve forces.

### NAVY RESERVE BASE OPERATIONS SUPPORT

A reduction of $2,272,000 is recommended for Navy Reserve base operations other support. This action is taken based on excessive growth experienced during the past two years. This activity has increased from $143,288,000 in 1985 to a 1987 budget request of $166,988,000. The recommendation will allow 70 percent of the requested program increases to be accomplished.

### NAVY RESERVE STEAMING HOURS

Steaming hours for the Navy Reserve increase above the 1986 level by more than 75 percent in the fiscal year 1987 budget request. The increase equates to $16,400,000 and 25,052 hours. Of the total increase, 6,736 hours are for new ships joining the Naval Reserve Force and 18,316 hours are for an increase in average steaming hours above the 1986 level. The Committee approves the increase related to the new ships but has denied the $11,900,000 requested for an increase in average steaming hours.

The Committee is concerned that funds previously provided for Navy Reserve steaming hours have not always been used in Naval Reservist training operations. Training of Naval Reserve Force surface combatants should be devoted to the training of their combined active duty and reserve crew in their assigned wartime mission. Operations without the combined crew embarked should be limited to emergency situations only and such emergency operations should not be financed with funds provided for Reserve steaming hours.

### ARMY NATIONAL GUARD TRAINING SUPPORT

The Army National Guard training support activity—which funds the costs of training aids and services, targets, bivouac sites, marksmanship and biathlon programs, and trophies and awards—has more than doubled since 1985, increasing from $4,046,000 to $8,527,000. The Committee recommends a reduction of $1,879,000 which will provide for an increase of 10 percent above the 1986 level.

### STANDARD ARMY MULTICOMMAND MANAGEMENT INFORMATION SYSTEM

The budget request includes $17,500,000 in the Operation and Maintenance, Army National Guard account for the Standard Army Multicommand Management Information System to replace existing computers used by the Army Guard in each of the 54 states and territories. The requirement was developed assuming a different investment/expense criteria than the one currently in effect. Therefore, the Committee has transferred the funds from O&M, Army National Guard to Other Procurement, Army.

### ARMY GUARD ADP

The Committee recommends that $10,000,000, transferred from the active Army's VIABLE program, be appropriated to the Army Guard for the CAMIS follow-on automation capability, subject to the conditions stated in the Army Reserve section above.

### AIR NATIONAL GUARD—304TH AEROSPACE RESCUE AND RECOVERY SQUADRON

The Committee expresses its concern that the 304th Aerospace Rescue and Recovery Squadron retain its full search and rescue capabilities. No other unit in the Pacific Northwest can perform the 304th's combat rescue mission. As the recent Mt. Hood climbing tragedy demonstrates, such a capability is vitally important.

The Committee commends the squadron for participating in 156 search and rescue missions during fiscal year 1985, with 34 lives saved. However, the 304th's combat status is in danger without the appropriate equipment. A force of twelve HH-60 or HH-53 helicopters is essential to maintain the squadron's existence. The Committee supports the allocation of the necessary forces to the 304th, particularly in light of the squadron's already current capability to support twelve helicopters.

The Committee also supports the addition of an airlift capability to the 304th's mission requirements. The Committee believes that the addition of this mission can be accomplished within available resources.

## MANAGEMENT OF AUTOMATIC DATA PROCESSING SYSTEMS

### OSD OVERSIGHT

The Department of Defense budget to procure, operate, and maintain automated information systems exceeds $8,000,000,000 annually. The Appropriations Committees last year expressed concern over the management of these resources. Hearings before the Committee this year reveal that while the Defense Department has adequate policies in place governing the acquisition of major systems, they are not faithfully followed by the Services. The Committee insists that the Defense Department acquire automated information systems with the same care and discipline it uses to acquire weapons. Accordingly, it has made a number of financial reductions to proposed ADP programs which have not been subject to the documentation requirements and oversight reviews required by Defense Department regulations.

It is apparent that the Comptroller of the Defense Department, the agency's senior ADP official, has aggressively moved during the past year to fill the management void. The Committee is very pleased with the Department's responses to issues raised in last year's report. The Committee hopes that formal oversight reviews in the future will not only address major automated information systems, but also Service architectures and implementing requirements contracts. The Committee is hopeful that the Assistant Secretary of Defense for Acquisition and Logistics will be equally successful in planning, coordinating, and implementing proper oversight of the Department's automated logistics systems upgrades, whose life-cycle costs exceed $6,500,000,000.

### CENTRAL DESIGN ACTIVITIES

Central design activities are those organizations in the Defense Department which are responsible for acquiring, operating, and maintaining automated information systems above base level. The Committee is concerned that there is no standard definition for these activities, their costs are not disclosed in budgets to Congress, and the Department has never formally studied the cost effectiveness of centralizing their management. The Committee directs the Comptroller of the Defense Department to implement a standard definition for the Department's central design activities and to disclose their costs to the Congress in the format similar to the Department's budget manual requirement prior to the Paperwork Reduction Act.

### NAVY CAD/CAM TECHNOLOGY

The Committee is excited about the Navy's centralized approach, via sets of standard requirements contracts, for the acquisition of Computer Aided Design (CAD)/Computer Aided Manufacturing (CAM) technology. The Committee has included bill language that prohibits the Navy from purchasing CAD/CAM equipment from other than these contracts. The Committee is concerned that the costs of this initiative are not known by the Office of the Secretary of Defense nor the Congress, and the acquisition strategy has not been subject to formal oversight review. The Committee expects that adequate management attention will be devoted to this initiative prior to significant expenditure of funds.

### MAJOR AUTOMATED INFORMATION SYSTEMS

The Defense Department claims to have policies which ensure adequate management oversight of the acquisition of major automated information systems or upgrades. Through hearings by the Committee and audit reports from the Services and the General Accounting Office, it is apparent that the enforcement of these policies during recent years has been lax. The Committee is encouraged by the recent Comptroller initiative that establishes formal oversight review organizations at the Service level which mirror the OSD structure. The Committee has included bill language that prohibits obligation of funds for acquisition of major automated information systems that have not successfully completed the oversight reviews required by Defense Department regulations. In addition, the Committee directs the Department to include information in its ADP budget to identify and justify large requirements contracts for the acquisition of ADP equipment such as computers and CAD/CAM technology.

### ADP EQUIPMENT MANAGEMENT FUND

Based upon repeated studies and numerous hearings, the Congress established an ADP equipment management fund in fiscal year 1986 to allow the Department of Defense to acquire ADP equipment in the most economical manner, usually outright procurement. Because DOD activities with sensitive classified missions might otherwise be deterred from taking advantage of this expanded acquisition process, the Committee directs that the Secretary of Defense implement the procedures addressed in the classified annex to this report to permit such usage of the ADPE management fund while ensuring that proper security safeguards continue in effect.

### AIR FORCE LOGISTICS COMMAND MODERNIZATION

Last year, the Committee required the Air Force to notify Congress when it experienced significant cost growth or schedule slips in the Logistics Modernization System ADP acquisition. The Air Force has evidently interpreted this requirement to apply to the entire program. To clarify, the Committee expects such notification on any of the major LMS subprojects which experience significant cost or schedule difficulties.

### MEDICAL SYSTEMS

The Committee supports efforts by the Office of the Secretary of Defense to implement a medical automation integration plan. During hearings this year, it became evident that the Services are pursuing independent and possibly redundant medical automation efforts. The committee examined in detail the Theater Army Medical Management Information System (TAMMIS), the Naval Occupational Health Information Management System (NOHIMS), and the Air Force Medical Material Management System On Line (MMMS-OL). The Committee found that development of these systems has progressed without OSD coordination or review. The Committee directs the Assistant Secretary of Defense for Health Affairs to:

1. Ensure that the Defense Medical Systems Support Center architecture supports theater and contingency automation requirements. If necessary, bring the TAMMIS resources under direct oversight and control to ensure that system requirements, development, and testing are in compliance with the DMSSC architecture and long range plan;
2. Implement a standard DOD medical logistics automation module. Bring MMMS-OL under DMSSC oversight, to include resources if necessary, to ensure that system development and implementation is accomplished within standard DOD requirements and the DMSSC architecture; and
3. Complete a NOHIMS review to document that the medical interfaces of this system are in compliance with the DMSSC architecture.

The Committee requests a report from the Assistant Secretary of Defense for Health Affairs by March 31, 1987, describing his actions to eliminate duplication of medical automation development within DOD and to implement the DMSSC architecture.

### COMPOSITE HEALTH CARE SYSTEM

The Composite Health Care System will be the primary means of providing automation to DOD's hospitals and clinics. The Committee has included bill language requiring that no funds may be obligated for acquisition of this system if life cycle cost estimates exceed $1,100,000,000 in constant fiscal year 1986 dollars. This will enforce a cost discipline on this critical program prior to significant expenditure of funds which is scheduled to begin in fiscal year 1987.

### COMPUTER AIDED LOGISTICS SUPPORT (CALS)

The DOD Computer Aided Logistics Support (CALS) program is crucial to the effective use of paperless design and logistics information for improved weapon system support. The Committee expects to see substantial near-term progress to establish compatibility for already-developed systems within DOD, such as engineering drawing repositories and automated technical manual systems, together with common interfaces with industry. The Committee also expects rapid accomplishments leading to the CALS objective of more reliable, supportable weapon system designs. The Committee directs the Secretary of Defense to report by June 30, 1987 on his progress in achieving near-term compatibility among CALS elements and substantial improved weapons support through large scale transition to digital operations.

## INTELLIGENCE AND INTELLIGENCE RELATED ACTIVITIES

The Committee reviews the intelligence and intelligence related activities budgets with the same intensity and completeness as is afforded other portions of the Department of Defense (DOD) budget. Because of the highly sensitive nature of these activities, the results of the Committee's budget review are published in a separate, detailed and comprehensive classified annex to this report. The intelligence community is expected to comply fully with the recommendations and direction in the classified annex accompanying the fiscal year 1987 DOD Appropriation bill.

### COMMITTEE'S OVERSIGHT FUNCTION

In pursuing its oversight function in the intelligence and intelligence related activities areas, the Committee held numerous separate hearings and briefings which resulted in several thousand pages of transcript and written responses for the record relating to those hearings. Additionally, there were several hundred pages of written responses for the record not related to any specific hearing.

### NATIONAL FOREIGN INTELLIGENCE PROGRAM

The National Foreign Intelligence Program consists of those intelligence activities of the Government which provide the President, other officers of the Executive Branch, and the Congress with national foreign intelligence on broad strategic concerns bearing on U.S. national security. These concerns are stated by the National Security Council in the form of long-range and short-range requirements for the principal users of intelligence, and include political trends, military balance trends, economic trends, treaty monitoring and support to military theater commanders.

The National Foreign Intelligence Program budget funded in the Department of Defense Appropriation Act consists primarily of resources of the Central Intelligence Agency, the Office of the Secretary of Defense, the Defense Intelligence Agency, the National Security Agency, the Departments of the Army, Navy, and Air Force, the Intelligence Community Staff of the Director of Central Intelligence, and the CIA Retirement and Disability System Fund.

The Committee has recommended a reduction in the fiscal year 1987 National Foreign Intelligence Program budget, the details of which are explained in the classified annex to this report. In spite of this reduction, funding growth is provided, and the Committee believes that the funds recommended are adequate to support an effective National Foreign Intelligence Program in the forthcoming fiscal year.

### NICARAGUAN DEMOCRATIC RESISTANCE

The Committee has included a general provision, Section 9045, prohibiting the obligation or expenditure of any funds during fiscal year 1987 to provide funds, materiel, or other assistance to the Nicaraguan democratic resistance to support military or paramilitary operations in Nicaragua except in accordance with terms and conditions of Section 106 of the Intelligence Authorization Act (H.R. 4759) for fiscal year 1987.

The Committee notes that $100,000,000 was included for humanitarian and military assistance to the Nicaraguan democratic resistance in the recently House passed fiscal year 1987 Military Construction Appropriations bill, H.R. 5202.

### TACTICAL INTELLIGENCE AND RELATED ACTIVITIES PROGRAMS

The Department of Defense Tactical Intelligence and Related Activities (TIARA) encompass a diverse array of reconnaissance, surveillance and target acquisition programs which are primarily a functional part of the basic military force structure, and provide direct information support to combat operations. TIARA includes those activities outside the General Defense Intelligence Program which respond to operational command tasking for time-sensitive information as well as to national communications, command, control, and intelligence requirements.

Explanations of the Committee's specific recommendations for TIARA programs appear in the appropriate sections of this report or in the classified annex. The funding provided for TIARA will fully support these activities in the forthcoming fiscal year.

### Physical Security

Last year the Committee requested and received a report outlining improvements required in physical security at sensitive U.S. installations.

The Committee continues to be concerned that the absence of relatively inexpensive improvements could jeopardize not only multimillion dollar investments but especially U.S. military and civilian personnel located throughout the world. As a result, the Committee has added $75,000,000 to begin aggressive corrective action. Prior to obligation of these funds, the Committee directs that a reprogramming request be submitted to the appropriations and authorizing committees detailing how the funds will be allocated. Additional details are provided in the classified annex of this report.

## Special Operation Forces

### TRANSFER OF SPECIAL OPERATIONS ROTARY WING MISSION

Last year the Committee included report language prohibiting implementation of Initiative 17—transfer of the special operations rotary wing mission from the Air Force to the Army—until the Congress had completed its review of the proposal.

The Committee has concluded an exhaustive analysis of this issue including testimony from Department witnesses, a Surveys and Investigations Staff report, and a report from the Deputy Secretary of Defense.

While the Committee supports the general concept that the Department should have maximum latitude to determine roles and missions across the military services, the Committee must reluctantly make an exception in this case. Not only does it appear that near-term readiness could be impaired if such a transfer is consummated, the Department admits that it would cost an additional $600,000,000 over the next five years. Moreover, the Department also admits that either the Army or the Air Force proposal would meet the requirements of the CINCs.

Consequently, the Committee is directing that Initiative 17, or any other current or future proposal to transfer any of the Special Forces rotary wing mission from the Air Force to the Army, not be implemented and that no funds are included in this bill for such a purpose.

### DEPARTMENTAL SUPPORT

For the last several years, the Committee has expressed concern that the military services, and especially the Air Force, have refused to provide adequate resources, training, and hardware for our Special Operations Forces. While the shortfall is still quite significant, the Committee is pleased to note that the fiscal year 1987 budget request reflects an increased priority for these programs. During the Committee's hearing with senior officials from the Office of the Secretary of Defense and the military services, it was apparent that an effort is in the initial stages to improve the readiness, training, and equipment of our Special Operations Forces. The Committee commends any such initiatives and will continue to demand that such improvements continue. Specific funding levels being provided for individual Special Operations Forces programs are included within the discussion for each appropriation.

## FORCES TO BE SUPPORTED

### DEPARTMENT OF THE ARMY

The fiscal year 1987 budget was designed to support Active Army forces of 18 divisions, 4 separate brigades, and 3 armored cavalry regiments, and Reserve forces of 10 divisions, 17 separate brigades, 4 roundout brigades to active divisions, and 4 armored cavalry regiments. A summary of the major Active Forces for fiscal years 1985, 1986 and projected 1987 follows:

| | Fiscal year— | | |
|---|---|---|---|
| | 1985 | 1986 | 1987 |
| Divisions: | | | |
| Airborne | 1 | 1 | 1 |
| Infantry | 5 | 6 | 6 |
| Mechanized | 6 | 6 | 6 |
| Armored | 4 | 4 | 4 |
| Air assault | 1 | 1 | 1 |
| Total | 17 | 18 | 18 |
| Nondivisional combat units: | | | |
| Armored cavalry | 3 | 3 | 3 |
| Brigades | 5 | [1] 4 | [1] 4 |
| Combat brigade air cavalry | 1 | 0 | 0 |
| Active duty military personnel, end strength (thousands) | 780.8 | 780.8 | 780.9 |

[1] 177 AR BDE slipped to fiscal year 1988.

## DEPARTMENT OF THE NAVY

The proposed budget assumed support of battle forces totaling 566 ships at the end of fiscal year 1987 compared to 553 at the end of fiscal year 1986 and 542 at the end of fiscal year 1985. The active aircraft inventory of 5740 is an increase over the fiscal year 1986 inventory of 5661. The forces include 14 aircraft carriers, three battleships, 446 battle force ships, and 53 support ships, as well as 2,391 Navy and Marine Corps tactical aircraft and 506 ASW sea based aircraft. Ships joining the fleet during fiscal year 1987 include a Trident nuclear submarine, a nuclear aircraft carrier, four nuclear attack submarines, three *Ticonderoga* class cruisers, two guided missile frigates, one LSD–41 class amphibious ship, two mine countermeasures ships, and two T-AGOS ships. A summary of major forces as proposed in the President's Budget is as follows:

| | Fiscal year— | | |
|---|---|---|---|
| | 1985 | 1986 | 1987 |
| Strategic forces | 43 | 44 | 45 |
| Submarines | 37 | 38 | 39 |
| Other | 6 | 6 | 6 |
| Submarine launched ballistic missile launchers (MIRV) | 648 | 640 | 640 |
| Battle forces | 435 | 438 | 446 |
| Aircraft carriers | 13 | 13 | 14 |
| Surface combatants | 200 | 201 | 202 |
| Submarines | 100 | 101 | 102 |
| Amphibious warfare ships | 60 | 60 | 60 |
| Mobile logistics ships | 53 | 54 | 57 |
| Other | 9 | 9 | 11 |
| Support forces | 50 | 53 | 53 |
| Mobile logistics ships | 21 | 21 | 19 |
| Support ships | 29 | 32 | 34 |
| Mobilization category A | 14 | 18 | 22 |
| Surface combatants | 12 | 16 | 20 |
| Amphibious warfare ships | 2 | 2 | 2 |
| Total ship battle forces | 542 | 553 | 566 |
| Total local defense and miscellaneous support forces | 127 | 151 | 157 |
| Auxiliaries and sealift forces | 107 | 129 | 136 |
| Mobilization category B | 20 | 22 | 21 |
| Mine warfare ships | 18 | 18 | 17 |
| Support | 2 | 4 | 4 |
| Naval aircraft: | | | |
| Aircraft inventory (Active) | 5,416 | 5,661 | 5,740 |
| Tactical aircraft (USN and USMC) | 2,210 | 2,390 | 2,391 |
| ASW sea-based aircraft (fixed and rotary wing) | 432 | 484 | 506 |
| Naval personnel: | | | |
| Active duty: | | | |
| Navy | 570,705 | 581,300 | 592,700 |
| Marine Corps | 198,025 | 198,800 | 200,300 |
| Reserve component strength (average): | | | |
| Navy: | | | |
| SELRES | 123,762 | 134,508 | 147,500 |
| TAR | 14,297 | 17,464 | 21,025 |
| Marine Corps | 40,141 | 41,900 | 42,800 |

## DEPARTMENT OF THE AIR FORCE

The proposed fiscal year 1987 Air Force Budget was designed to support an active force structure of 80 tactical fighter and attack squadrons, 4 air defense interceptor squadrons, and 24 strategic bomber squadrons, including B-52s, FB-111s and B-1s. Also supported in this budget are 30 airlift squadrons. The Minuteman and Peacekeeper ICBM force will consist of 1,000 active launchers. Increases in personnel are shown below.

A summary of the major forces as proposed in the President's Budget is as follows:

| | Fiscal year— | | |
|---|---|---|---|
| | 1985 | 1986 | 1987 |
| USAF TAC fighter and attack squadron | 78 | 78 | 80 |
| Air defense interceptor squadron | 4 | 4 | 4 |
| Strat bomber squadron | 21 | 22 | 24 |
| ICBM launchers | 1,020 | 1,007 | [1] 1,000 |
| USAF airlift squadron | 31 | 31 | 30 |
| Active aircraft inventory [2] | 9,443 | 9,515 | 9,496 |
| Active duty military | 601,515 | 606,470 | 607,200 |
| Reserve components personnel | 184,612 | 188,259 | 195,700 |
| ANG | 109,398 | 110,859 | 115,200 |
| AFR | 75,214 | 77,400 | 80,500 |

[1] Seven Titan II ICBM launchers will be dismantled in fiscal year 1987.

[2] Includes Active, Air National Guard and Air Force Reserve. Excludes foreign government owned USAF operated aircraft.

# TITLE I

# MILITARY PERSONNEL

## PROGRAMS AND ACTIVITIES FUNDED BY MILITARY PERSONNEL APPROPRIATIONS

Virtually every activity of the Department of Defense and military services requires both military and civilian personnel as well as support funding. Many of the actions taken in military personnel appropriations affect the operation and maintenance appropriations. These interrelations between the two appropriations are identified where possible.

## SUMMARY OF MILITARY PERSONNEL RECOMMENDATION FOR FISCAL YEAR 1987

| | |
|---|---|
| Fiscal year 1986 appropriations | $67,906,361,000 |
| Fiscal year 1986 adjusted base | 67,671,936,000 |
| Fiscal year 1987 budget request | 74,202,900,000 |
| Fiscal year 1987 recommendation | 72,404,112,000 |
| Change from budget request | −1,798,788,000 |

The Committee recommends an appropriation of $72,404,112,000 for Military Personnel accounts. The recommendation is an increase of $4,497,751,000 above the $67,906,361,000 in total obligational authority for fiscal year 1986 and $4,732,176,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. These military personnel budget total comparisons include appropriations for the active, reserve, and national guard accounts. The following tables include a summary of the recommendation by appropriation account. Explanations of changes from the budget request appear later in this section of the report.

## SUMMARY BY APPROPRIATION ACCOUNT OF THE FISCAL YEAR 1987 MILITARY PERSONNEL

RECOMMENDATION

[In thousands of dollars]

| Account | Budget request | Recommendations | Change from budget |
|---|---|---|---|
| Military personnel: | | | |
| Army | 22,655,000 | 22,270,626 | −384,374 |
| Navy | 17,459,500 | 17,056,104 | −403,396 |
| Marine Corps | 5,333,400 | 5,245,086 | −88,314 |
| Air Force | 19,290,500 | 18,810,225 | −480,275 |
| Subtotal, active | 64,738,400 | 63,382,041 | −1,356,359 |

RECOMMENDATION—Continued

[In thousands of dollars]

| Account | Budget request | Recommendations | Change from budget |
|---|---|---|---|
| Reserve personnel: | | | |
| Army | 2,432,000 | 2,330,830 | −101,170 |
| Navy | 1,527,600 | 1,436,680 | −90,920 |
| Marine Corps | 314,800 | 300,100 | −14,700 |
| Air Force | 646,000 | 628,977 | −17,023 |
| National Guard personnel: | | | |
| Army | 3,485,200 | 3,303,174 | −182,026 |
| Air Force | 1,058,900 | 1,022,310 | −36,590 |
| Subtotal, Guard and Reserve | 9,464,500 | 9,022,071 | −442,429 |
| Total, title I | 74,202,900 | 72,404,112 | −1,798,788 |

The fiscal year 1987 budget request included an increase of 13,370 end strength for active forces and an increase of 51,623 end strength for the selected reserve over fiscal year 1986 levels.

The Committee's recommended active duty military personnel strengths agree with the strengths approved by the House Armed Services Committee during consideration of the 1987 Defense Authorization Act, which reduced requested fiscal year 1987 active duty end strengths by 11,730. The Committee agrees with the requested and authorized end strengths for selected reserve paid drill individual reservists but has not included funding requested for full-time active duty reservists above the 1986 end strength levels. The following tables summarize the overall strength levels in the recommendation in terms of overall strength levels and in terms of service component.

## OVERALL ACTIVE END STRENGTH

| | |
|---|---|
| Fiscal year 1986 estimate | 2,167,370 |
| Fiscal year 1987 budget request | 2,181,100 |
| Fiscal year 1987 authorization | 2,169,370 |
| Fiscal year 1987 recommendation | 2,169,370 |
| Compared with fiscal year 1986 | +2,000 |
| Compared with fiscal year 1987 budget request | −11,730 |

## OVERALL SELECTED RESERVE END STRENGTH

| | |
|---|---|
| Fiscal year 1986 estimate | 1,134,577 |
| Fiscal year 1987 budget request | 1,186,200 |
| Fiscal year 1987 house authorization | 1,178,688 |
| Fiscal year 1987 recommendation | 1,174,088 |
| Compared with fiscal year 1986 | +39,511 |
| Compared with fiscal year 1987 budget request | −12,112 |

## SUMMARY OF MILITARY STRENGTH BY SERVICE COMPONENT

| | Fiscal year 1986 estimate | Fiscal year 1987 | | | Comparison of request with recommendation |
|---|---|---|---|---|---|
| | | Budget request | House authorization | Recommendation | |
| Active Forces (end strength): | | | | | |
| Army | 780,800 | 780,900 | 780,800 | 780,800 | −100 |

SUMMARY OF MILITARY STRENGTH BY SERVICE COMPONENT—Continued

| | Fiscal year 1986 estimate | Fiscal year 1987 | | | Comparison of request with recommendation |
|---|---|---|---|---|---|
| | | Budget request | House authorization | Recommendation | |
| Navy | 581,300 | 592,700 | 583,300 | 583,300 | −9,400 |
| Marine Corps | 198,800 | 200,300 | 198,800 | 198,800 | −1,500 |
| Air Force | 606,470 | 607,200 | 606,470 | 606,470 | −730 |
| Total, Active Force | 2,167,370 | 2,181,100 | 2,169,370 | 2,169,370 | −11,730 |
| Guard and Reserve (end strength): | | | | | |
| Army Reserve | 310,650 | 327,600 | 326,600 | 326,100 | −1,500 |
| Navy Reserve | 142,153 | 155,700 | 153,013 | 151,513 | −4,187 |
| Marine Corps Reserve | 43,019 | 44,400 | 44,263 | 44,093 | −307 |
| Air Force Reserve | 77,400 | 80,500 | 80,489 | 80,459 | −41 |
| Army National Guard | 450,496 | 462,800 | 459,310 | 457,810 | −4,990 |
| Air National Guard | 110,859 | 115,200 | 115,013 | 114,113 | −1,087 |
| Total, Guard and Reserve | 1,134,577 | 1,186,200 | 1,178,688 | 1,174,088 | −12,112 |

## ACTIVE DUTY MILITARY PERSONNEL

### END STRENGTH

The Committee has reduced the military personnel accounts by a total $140,000,000 for the fiscal year 1987 requested military end strength growth.

The House Armed Services Committee authorized a fiscal year 1987 end strength that is 2,000 above the fiscal year 1986 level. The Committee recommendation supports the strength level authorized by the House Armed Services Committee.

### ENLISTED TO OFFICER RATIO

The Committee reduced the military personnel accounts by a total $149,811,000 to increase the Enlisted personnel to Officer personnel ratio to 6.25 to 1. This reduction would require the Department of Defense to recruit 16,000 fewer officers from fiscal year 1987 through fiscal year 1988. The House Armed Services Committee directed the Department to establish an enlisted to officer ratio of 6.12 to 1 by September 1, 1987, with a goal of achieving a ratio of 6.5 to 1 by September 30, 1990.

The Committee believes its recommendation is consistent with the recommendation made by the House Armed Services Committee, with impetus to meet this ratio at an earlier date and has made the reduction accordingly.

### ENLISTMENT BONUSES

The Committee reduced the military personnel accounts by a total $33,604,000 for enlistment bonuses. This reduction affects new payments only.

Due to current trends in enlistment and reenlistment factors and reductions to the fiscal year 1987 end strength request, only 50 percent of the Army's funding for enlistment bonuses is required. The reductions made to Navy, Marine Corps and Air Force reflect actions taken by the House Armed Services Committee.

### SELECTIVE REENLISTMENT BONUS

The Committee has reduced the military personnel accounts by a total $223,023,000 for Selective Reenlistment Bonuses (SRB's).

The fiscal year 1986 Department of Defense Authorization Bill provided authorization to pay 75 percent of the SRBs "up front" in the first year. Prior to 1986, the Services had the authority to pay 50 percent up front. The House Armed Services Committee's fiscal year 1987 Department of Defense Authorization Bill, withdrew the fiscal year 1986 authorization and reinstated the 50 percent lump sum bonus in the first year.

The Committee agrees with the House Armed Services Committee's action and has made the adjustment accordingly.

### VARIABLE HOUSING ALLOWANCE INFLATION

The Committee has reduced the military personnel accounts by a total $27,000,000 for revised Variable Housing Allowance (VHA) inflation. The Department of Defense calculated a 4.9 percent VHA for an inflation increase of $54,000,000 over fiscal year 1986 VHA costs. The Committee has included a general provision, Section 9095, that will limit the fiscal year 1987 inflation rate to 2.45 percent and thereby saving $27,000,000 in VHA inflation costs.

The Committee is aware that this reduction may well require the service member to pay a larger portion of his housing costs. However, given the current housing market, the Committee believes a lower funding requirement is adequate.

### PERMANENT CHANGE OF STATION

The Committee has reduced the military personnel accounts by a total $563,493,000 for changes in the Permanent Change of Station (PCS) account. The Committee has included a general provision (Section 9073) that sets a limit on PCS expenditures of $2,239,060,000.

The Committee agrees with reductions based on proposed revisions to the PCS program; however, it is concerned that hardships may result with additional delays in PCS travel. Therefore, the Committee directs the Department to find a majority of the savings represented here through further PCS policy revision and program restructuring.

### INFLATION

The Committee has reduced the military personnel accounts by a total $32,998,000 for revised inflation estimates.

In fiscal year 1986, the Department of Defense (DOD) used the Office of Management and Budget (OMB) standard inflation rate of 4.4 percent to determine funding needed for various non-pay related price increases. The current fiscal year 1986 estimate for inflation is 3.2 percent and can be anticipated to drop even further as a result of the impact of lower costs on commercial goods and services.

In fiscal year 1987, DOD used the OMB standard inflation rate of 4.1 percent for various non-pay related price increases. Based on historical evidence, the Committee believes a more realistic price increase is 2.0 percent.

### SIXTH INFANTRY DIVISION

In fiscal year 1987, 35 units will be activated in Alaska for the Sixth Infantry Division. With consideration given to other reductions this Committee has made for support of this Division, and the fiscal year 1987 Military Construction Appropriations Bill which reduces funding for the Division's construction program, the Committee has reduced the Army's military personnel account by $33,500,000 and 2,303 average strengths, for the units scheduled for deployment with the Sixth Infantry Division.

The Army was able to off-set the manpower requirements for the Sixth Infantry Division through various management initiatives such as organizational modernization and economics and efficiencies. The Committee anticipates the Army would continue with these initiatives.

### ANNIVERSARY SRB'S

The Committee has reduced the Army's military personnel account by $1,744,000 for anniversary selective reenlistment bonuses (SRB's).

In fiscal year 1987, the Army budgeted a 10.4 percent increase in the rate for anniversary payments. Based on the fiscal year 1986 increase of 8.6 percent and the fact that the other Services budgeted no more than a 3 percent increase for 1987 anniversary SRB rates, the Committee determined that the Army's request was unjustified. This reduction will keep the fiscal year 1987 anniversary SRB rates the same as the 1986 rates.

### AVERAGE STRENGTH SHORTFALL

The Committee has reduced the Navy's military personnel account by $40,670,000 and the fiscal year 1987 average strength by 2,000 due to the strength shortfall being experienced in fiscal year 1986. Through April 1986, the Navy is lagging behind their budgeted average strength by 3,300. Based on prior fiscal year experience, the Committee believes the Navy will be at least 2,000 average strengths below the budgeted level by the end of fiscal year 1986.

### AVERAGE GRADE INCREASE

The Committee has reduced the Marine Corps and the Air Force military personnel accounts by a total of $108,300,000 for increases in the average grade. This will keep the established time-in-grade for promotion in fiscal year 1987 the same as fiscal year 1986.

### INITIAL SRB

The Committee has reduced the Air Force military personnel account by $2,216,000 for initial Selective Reenlistment Bonuses (SRB).

In fiscal year 1987, the Air Force is requesting an additional 867 initial SRB payments. Based on fiscal year 1986 Air Force reenlistment performance, and the reduction to the 1987 end strength request, the SRB request is unnecessary. This reduction will provide fiscal year 1987 initial SRB payments at the same rate as fiscal year 1986.

## ACTIVE DUTY PERSONNEL SUPPORT

### Recruiting and Advertising

In fiscal year 1987, the Department of Defense is requesting a total $1,731,400,000 for active and reserve component recruiting activities. The Committee has made a total reduction of $75,010,000 to the request. Reductions by Service can be found in the Operation and Maintenance section of this report.

The Committee is aware that the Department has recently changed the mix of funding, with more emphasis on joint recruiting and advertising programs. The Committee supports this revision in funding strategy. Reductions to the fiscal year 1987 request were made with consideration given to the reductions in the requested end strength and resultant need for less funding.

The Committee is reluctant to legislate total funding limits for recruiting and advertising by Service or in total. However, the Committee was not pleased to learn that funding was reprogrammed between Services during execution of the fiscal year 1986 budget, without congressional notification. Therefore, while formal notification of changes is not required, the Committee requests the Department to inform the Committee when funding levels by Service or in total, change from those listed below:

ACTIVE/RESERVE COMPONENT RESOURCES

[In millions of dollars]

| | Fiscal year | | |
|---|---|---|---|
| | 1986 program | 1987 request | 1987 recommended |
| Joint programs | 97.9 | 114.5 | 101.4 |
| Army | 517.1 | 512.5 | 499.1 |
| Navy | 273.8 | 300.8 | 283.2 |
| Marine Corps | 169.8 | 174.9 | 166.1 |
| Air Force | 147.5 | 152.4 | 148.4 |
| Army Reserve | 142.0 | 156.3 | 147.8 |
| Naval Reserve | 59.7 | 72.2 | 64.4 |
| Marine Corps Reserve | 16.2 | 16.8 | 16.8 |
| Air Force Reserve | 19.2 | 20.9 | 20.9 |
| Army Guard | 172.5 | 182.6 | 179.8 |
| Air Guard | 27.0 | 27.5 | 27.5 |
| Total DOD | 1,642.5 | 1,731.4 | 1,656.4 |

[1] The fiscal year 1987 budget request numbers represented in the Service specific listing of recommendations, shown in the O&M section of this report, incude enlistment bonus funds and therefore may not match the 1987 request numbers shown here. The reductions are the same.

Note: These numbers exclude enlistment bonus funds. Numbers are rounded and may not add.

## TRAINING

### REMOTE EDUCATION

In fiscal year 1986, the remote multi-media mode education network was funded at $2,100,000 in the Army's training budget. In fiscal year 1987, the Army requested a total $4,043,000 for this program in the long-haul communications program budget. However, there should have been a budget-balancing decrease of $2,100,000 in the training budget which was not reflected in the fiscal year 1987 budget. Therefore, the Committee has made the $2,100,000 reduction.

### ENHANCED SKILL TRAINING

The Army has budgeted $2,424,000 for cadet skills development program, a part of the enhanced skill training program. This is a new start program and will fund an English training course for ROTC cadets that attend historically black colleges.

The Committee has not been convinced that this program is essential or that the participation rate would be significant. The Committee directs that no money be spent on this program in fiscal year 1987.

### RECEPTION CENTER

The Army requested $377,000 to evaluate the capability of two Army Reserve reception stations. The Committee has reduced the Army's budget by $377,000, believing the evaluations can be done within available resources.

### ARMY TRAINING

Various Army training programs have historically experienced lower training levels than were budgeted. Due to these previous lower than budgeted training levels, the Committee believes the fiscal year 1987 training levels will be lower than budgeted. Therefore, the Committee made the following reductions:

| | *Thousands* |
|---|---|
| Specialized Training | $3,000 |
| One Station Unit Training | 1,290 |
| Recruit Training | 517 |
| Total | 4,807 |

### OFFICER ACQUISITION

Included in the Navy's requested increase of $5,513,000 for Officer Acquisition is $4,900,000 of new programs for the academy, including upgrading ADP equipment, laboratory equipment and an employment program for spouses. The Committee made a reduction of $4,000,000 to these items because the academy upgraded the ADP equipment and purchased lab equipment in 1985. The spousal employment program should not be funded because it will not benefit the midshipmen since they are not permitted to be married while at the academy.

### SPECIALIZED SKILL TRAINING

The Navy has requested $1,185,000 for the substitution of 95 military positions with 95 civilian positions. The Navy overbudgeted for the cost per civilian position. Therefore, the Committee has made the necessary adjustment and reduced the Navy's budget by $538,000.

### RELOCATABLE OVER-THE-HORIZON RADAR (ROTHR)

The Committee has included, within Navy authorized end strength adjustments, a reduction of $2,359,000 associated with the 14 officer and 86 enlisted personnel affected by ROTHR actions addressed elsewhere in this report.

### TRAINING/FUNDING REALIGNMENT

In fiscal year 1986, the Navy internally reprogrammed $16,400,000 from training and other personnel activities to recruiting and advertising activities. The reprogramming occurred after the fiscal year 1987 budget was submitted. Since the fiscal year 1987 budget is based on the fiscal year 1986 budget, the training and other personnel activities budget is overstated by $16,400,000. The Committee has made the necessary reductions.

### FLIGHT TRAINING

The fiscal year 1987 budget includes an increase in the pilot training rate of 74 and $9,874,000. Due to the reduction in the fiscal year 1987 request for military end strength, the pilot training rate can be reduced by 10 and $1,395,000.

### OTHER PERSONNEL ACTIVITIES

The Navy requested $645,000 for a recreational services executive control and supervision program and an international sports program. These items should be funded with non-appropriated funds. The Committee has therefore made a reduction in the appropriated funding.

### NAVY TRAINING

Various Navy training and educational programs have historically experienced lower training levels than were budgeted. Due to these previous lower than budgeted training and educational levels, the Committee believes the fiscal year 1987 levels will be lower than budgeted. Therefore, the Committee made the following reductions:

| | *Thousands* |
|---|---|
| Off-duty and voluntary education | $2,792 |
| Naval Reserve Officers training | 250 |
| Recruit training | 394 |
| Total | 3,436 |

### TRAINING SUPPORT ACTIVITIES

The Air Force requested funding for 38 work years in fiscal year 1987 due to their unfunded status in fiscal year 1986.

In fiscal year 1986, Congress made work year reductions in the Department of Defense budget. These reductions were made to decrease the size of the civilian work force, in mainly administrative areas. The Committee considers the 1986 action valid and therefore can see no necessity of providing the fiscal year 1987 funding request. The Committee made the appropriate reduction of $1,247,000.

### AIR FORCE INSTITUTE OF TECHNOLOGY

The Air Force requested $1,849,000 to furnish the Air Force Institute of Technology (AFIT). The AFIT construction will not be complete until late 1988. It is the Committee's belief that this request is premature and should be requested in fiscal year 1988.

### SPACE TRAINING

The Air Force has requested $2,000,000 to inititate a space training program. This training will develop specialists to operate and control space systems. Currently all the services are working together to define common needs for space operations training. Until this analysis is complete and a comprehensive department-wide training program is designed, the Committee does not believe it should be funded.

### 6594TH TEST GROUP

Subsequent to submission of the fiscal year 1987 budget request, the Air Force announced the disestablishment of the 6594th Test Group. Included in the authorized end strength adjustment for the Air Force is a reduction of $5,200,000 associated with the 98 officer and 465 enlisted personnel no longer required for this Test Group.

### AIR FORCE TRAINING

Various Air Force training programs have historically experienced lower training levels than were budgeted. Due to these previous lower than budgeted training levels, the Committee believes the fiscal year 1987 training levels will be lower than budgeted. Therefore, the Committee made the following reductions:

| | *Thousands* |
|---|---|
| Education and training—Health care | $550 |
| Flight training | 13,500 |
| Recruit and specialized training | 50,085 |
| Total | 64,135 |

## MILITARY PERSONNEL, ARMY

| | |
|---|---|
| Fiscal year 1986 appropriations | $21,078,169,000 |
| Fiscal year 1986 adjusted base | 21,003,688,000 |
| Fiscal year 1987 budget request | 22,655,000,000 |
| Committee recommendation | 22,270,626,000 |
| Change | −384,374,000 |

The Committee recommends an appropriation of $22,270,626,000 for Military Personnel, Army. The recommendation is an increase of $1,192,457,000 above the $21,078,169,000 in total obligational authority for fiscal year 1986 and $1,266,938,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

[In thousands of dollars]

| | |
|---|---|
| Authorized end strength | −1,550 |
| Enlisted to officer ratio | −32,478 |
| Enlisted bonuses | −28,255 |
| Reenlistment bonuses | −50,429 |
| VHA inflation | −6,000 |
| Permanent change of station | −217,557 |
| Inflation | −12,861 |
| Infantry division | −33,500 |
| Anniversary SRB's | −1,744 |
| Total adjustment | −384,374 |

## MILITARY PERSONNEL, NAVY

| | |
|---|---|
| Fiscal year 1986 appropriations | $15,917,144,000 |
| Fiscal year 1986 adjusted base | 15,875,246,000 |
| Fiscal year 1987 budget request | 17,459,500,000 |
| Committee recommendation | 17,056,104,000 |
| Change | −403,396,000 |

The Committee recommends an appropriation of $17,056,104,000 for Military Personnel, Navy. The recommendation is an increase of $1,138,960,000 above the $15,917,144,000 in total obligational authority for fiscal year 1986 and $1,180,858,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

[In thousands of dollars]

| | |
|---|---|
| Authorized end strength | −104,855 |
| Enlisted to officer ratio | −65,401 |
| Enlistment bonuses | −2,756 |
| Reenlistment bonuses | −103,693 |
| VHA inflation | −10,900 |
| Permanent change of station | −69,370 |
| Inflation | −5,751 |
| Average strength shortfall | −40,670 |
| Total adjustment | −403,396 |

## MILITARY PERSONNEL, MARINE CORPS

| | |
|---|---|
| Fiscal year 1986 appropriations | $4,870,016,000 |
| Fiscal year 1986 adjusted base | 4,853,944,000 |
| Fiscal year 1987 budget request | 5,333,400,000 |
| Committee recommendation | 5,245,086,000 |
| Change | −88,314,000 |

The Committee recommends an appropriations of $5,245,086,000 for Military Personnel, Marine Corps. The recommendation is an increase of $375,070,000 above the $4,870,016,000 in total obligational authority for fiscal year 1986 and $391,142,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

[In thousands of dollars]

| | |
|---|---|
| Authorized end strength | –15,002 |
| Enlisted to officer ratio | –9,440 |
| Enlistment bonuses | –2,573 |
| Reenlistment bonuses | –35,288 |
| VHA inflation | –2,800 |
| Permanent change of station | –8,872 |
| Inflation | –3,039 |
| Average grade increase at 1986 levels | –11,300 |
| Total adjustment | –88,314 |

## MILITARY PERSONNEL, AIR FORCE

| | |
|---|---|
| Fiscal year 1986 appropriations | $17,744,770,000 |
| Fiscal year 1986 adjusted base | 17,698,217,000 |
| Fiscal year 1987 budget request | 19,290,500,000 |
| Committee recommendation | 18,810,225,000 |
| Change | –480,275,000 |

The Committee recommends an appropriation of $18,810,225,000 for Military Personnel, Air Force. The recommendation is an increase of $1,065,455,000 above the $17,744,770,000 in total obligational authority for fiscal year 1986 and $1,112,008,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

[In thousands of dollars]

| | |
|---|---|
| Authorized end strength | –18,593 |
| Enlisted to officer ratio | –42,492 |
| Enlistment bonuses | –20 |
| Reenlistment bonuses | –33,613 |
| VHA inflation | –7,300 |
| Permanent change of station | –267,694 |
| Inflation | –11,347 |
| Average grade increase at 1986 levels | –97,000 |
| Initial SRB's | –2,216 |
| Total adjustment | –480,275 |

## RESERVE PERSONNEL, ARMY

| | |
|---|---|
| Fiscal year 1986 appropriations | $2,178,564,000 |
| Fiscal year 1986 adjusted base | 2,145,194,000 |
| Fiscal year 1987 budget request | 2,432,000,000 |
| Committee recommendation | 2,330,830,000 |
| Change | –101,170,000 |

The Committee recommends an appropriation of $2,330,830,000 for Reserve Personnel, Army. The recommendation is an increase of $152,266,000 above the $2,178,564,000 in total obligational authority for fiscal year 1986 and $185,636,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

[In thousands of dollars]

| | |
|---|---|
| Individual Ready Reserve mobilization test | –38,000 |
| Special training | –5,000 |
| Senior ROTC Nonscholarship Program | –5,000 |
| Full-time support (AGR end strength) | –23,510 |
| Unit and individual training | –29,600 |
| National Board for the Promotion of Rifle Practice (transfer) | –60 |
| Total adjustment | –101,170 |

## RESERVE PERSONNEL, NAVY

| | |
|---|---|
| Fiscal year 1986 appropriations | $1,267,734,000 |
| Fiscal year 1986 adjusted base | 1,264,599,000 |
| Fiscal year 1987 budget request | 1,527,600,000 |
| Committee recommendation | 1,436,680,000 |
| Change | –90,920,000 |

The Committee recommends an appropriation of $1,436,680,000 for Reserve Personnel, Navy. The recommendation is an increase of $168,946,000 above the $1,267,734,000 in total obligational authority for fiscal year 1986 and $172,081,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

[In thousands of dollars]

| | |
|---|---|
| Individual Ready Reserve mobilization test | –10,000 |
| School training | –1,320 |
| Exercises | –649 |
| Full-time support (AGR end strength): | |
| Pay and allowances | –54,727 |
| Subsistence | –3,143 |
| PCS moves | –4,081 |
| Unit and individual training | –17,000 |
| Total adjustment | –90,920 |

## RESERVE PERSONNEL, MARINE CORPS

| | |
|---|---|
| Fiscal year 1986 appropriations | $272,250,000 |
| Fiscal year 1986 adjusted base | 270,926,000 |
| Fiscal year 1987 budget request | 314,800,000 |
| Committee recommendation | 300,100,000 |
| Change | –14,700,000 |

The Committee recommends an appropriation of $300,100,000 for Reserve Personnel, Marine Corps. The recommendation is an increase of $27,850,000 above the $272,250,000 in total obligational authority for fiscal year 1986 and $29,174,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

[In thousands of dollars]

| | |
|---|---|
| Individual Ready Reserve mobilization test | –7,000 |
| Full time support (AGR end strength) | –3,919 |
| PCS moves | –81 |
| Unit and individual training | –3,700 |
| Total adjustment | –14,700 |

## RESERVE PERSONNEL, AIR FORCE

| | |
|---|---|
| Fiscal year 1986 appropriations | $584,430,000 |
| Fiscal year 1986 adjusted base | 580,507,000 |
| Fiscal year 1987 budget request | 646,000,000 |
| Committee recommendation | 628,977,000 |
| Change | −17,023,000 |

The Committee recommends an appropriation of $628,977,000 for Reserve Personnel, Air Force. The recommendation is an increase of $44,547,000 above the $584,430,000 in total obligational authority for fiscal year 1986 and $48,470,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

[In thousands of dollars]

| | |
|---|---|
| Individual Ready Reserve mobilization test | −6,000 |
| Full-time support (AGR end strength) | −1,823 |
| Unit and individual training | −9,200 |
| Total adjustment | −17,023 |

## NATIONAL GUARD PERSONNEL, ARMY

| | |
|---|---|
| Fiscal year 1986 appropriations | $3,066,568,000 |
| Fiscal year 1986 adjusted base | 3,056,818,000 |
| Fiscal year 1987 budget request | 3,485,200,000 |
| Committee recommendation | 3,303,174,000 |
| Change | −182,026,000 |

The Committee recommends an appropriation of $3,303,174,000 for National Guard Personnel, Army. The recommendation is an increase of $236,606,000 above the $3,066,568,000 in total obligational authority for fiscal year 1986 and $246,356,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

[In thousands of dollars]

| | |
|---|---|
| Full-time support (AGR end strength) | −104,212 |
| School training | −20,222 |
| Special training | −14,411 |
| (Competitive events) | (−2,493) |
| Unit and individual training | −43,300 |
| National Board for the Promotion of Rifle Practice (transfer) | −81 |
| Total adjustment | −182,026 |

## NATIONAL GUARD PERSONNEL, AIR FORCE

| | |
|---|---|
| Fiscal year 1986 appropriations | $926,716,000 |
| Fiscal year 1986 adjusted base | 922,797,000 |
| Fiscal year 1987 budget request | 1,058,900,000 |
| Committee recommendation | 1,022,310,000 |
| Change | −36,590,000 |

The Committee recommends an appropriation of $1,022,310,000 for National Guard Personnel, Air Force. The recommendation is an increase of $95,594,000 above the $926,716,000 in total obligational authority for fiscal year 1986 and $99,513,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

[In thousands of dollars]

| | |
|---|---|
| Full-time support (AGR end strength) | −26,890 |
| Unit and individual training | −9,700 |
| Total adjustment | −36,590 |

# TITLE II

## OPERATION AND MAINTENANCE

### ESTIMATES AND APPROPRIATION SUMMARY

The fiscal year 1987 budget estimate for operation and maintenance is $85,773,000,000 in new obligational authority. This amount compares to a fiscal year 1986 total obligational authority, after the Gramm-Rudman sequestration, of $74,818,297,000.

The accompanying bill recommends $78,109,862,000 in new obligational authority for fiscal year 1987, which includes $7,000,000 reappropriated from FY 1986. The amount recommended represents a decrease of $7,663,138,000 from the fiscal year 1987 request and is $3,291,565,000 above the total obligational authority provided in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985.

The appropriations finance the costs of operating and maintaining the Armed Forces, including the Reserve components and related support activities of the Department of Defense, except military personnel costs. Included are amounts for pay of civilians, services for maintenance of equipment and facilities, fuel, supplies, and repair parts for weapons and equipment. Financial requirements are influenced by many factors, including force levels such as the number of aircraft squadrons, Army or Marine Corps divisions, installations, military strength and deployments, rates of operational activity, and quantity and complexity of major equipment, such as aircraft, ships, missiles, and tanks, in operation.

### AUTHORIZATION REQUIREMENTS

Title II requests for funds for the Department of Defense are subject to authorization by the Armed Services Committees at the appropriation account level. Where an adjustment was made in the 1986 Defense Authorization Act, funds for the most part are similarly adjusted in this appropriations bill. To the extent that any variation takes place, a full explanation is provided indicating the new and persuasive information available subsequent to consideration by the authorization committee. In many cases had the Armed Services Committees not recommended a reduction, this Committee may well have made a similar reduction on its own initiative. In every instance, but one, adjustments recommended by the Committee are below the amounts provided by the authorization committee to ensure compliance with the authorization. As addressed elsewhere in the report, amounts provided for military health care are subject to authorization.

The following table summarizes the committee's recommendations in comparison with the authorization bill. In addition, the table provided under each individual appropriation shows a detailed comparison by line item of the adjustments recommended by the authorization versus the adjustments recommended in this bill.

SUMMARY OF OPERATION AND MAINTENANCE

[In thousands of dollars]

| | Request | HASC authorization | Recommended in bill | Change from request | Change from authorization |
|---|---|---|---|---|---|
| Army | 21,341,870 | 20,742,070 | 19,774,531 | −1,567,339 | −967,539 |
| Navy | 25,688,500 | 24,377,000 | 22,993,227 | −2,695,273 | −1,383,773 |
| Marine Corps | 1,864,100 | 1,845,700 | 1,793,338 | −70,762 | −52,362 |
| Air Force | 21,214,500 | 19,293,800 | 18,893,758 | −2,320,742 | −400,042 |
| Defense Agencies | 6,833,197 | 6,696,797 | 6,300,040 | −533,157 | −396,757 |
| Army Reserve | 793,100 | 789,800 | 769,298 | −23,802 | −20,502 |
| Navy Reserve | 975,900 | 907,500 | 869,847 | −106,053 | −37,653 |
| Marine Corps Reserve | 65,300 | 64,800 | 63,218 | −2,082 | −1,582 |
| Air Force Reserve | 975,600 | 927,100 | 922,100 | −53,500 | −5,000 |
| Army National Guard | 1,786,900 | 1,790,100 | 1,734,696 | −52,204 | −55,404 |
| Air National Guard | 1,932,700 | 1,783,100 | 1,790,384 | −142,316 | +7,284 |
| National Brd for the Promotion of Rifle Practice, Army | 930 | 930 | 4,316 | +3,386 | +3,386 |
| Military health care [1] | 1,740,503 | 1,569,503 | 1,679,409 | −61,094 | +109,906 |
| Claims, Defense | 155,600 | 153,100 | 144,400 | −11,200 | −8,700 |
| Court of Military Appeals | 3,400 | 3,400 | 3,200 | −200 | −200 |
| Pan American Games | 15,000 | 15,000 | 15,000 | 0 | 0 |
| Environmental restoration, Defense | 385,900 | 385,900 | 346,100 | −39,800 | −39,800 |
| Humanitarian assistance | 0 | 9,000 | 6,000 | +6,000 | −3,000 |
| Humanitarian assistance reappropriation | 0 | 7,000 | 7,000 | +7,000 | 0 |
| Total, new appropriation | 85,773,000 | 81,354,600 | 78,102,862 | −7,670,138 | −3,251,738 |
| Reappropriation | 0 | 7,000 | 7,000 | +7,000 | 0 |
| Total new budget authority | 85,773,000 | 81,361,600 | 78,109,862 | −7,663,138 | −3,251,738 |

[1] Previously included under O&M, Defense Agencies.

## STOCK FUND FUEL REFUND

In FY 1987, the Defense Stock Fund assumed a net decrease in fuel prices of 7.41 percent from an FY 1986 composite refund rate of $34.02 per barrel to $31.50 per barrel. Based on latest fuel prices both FY 1986 and FY 1987 costs are overestimated. Average actual composite fuel prices in FY 1986 are projected to be approximately $28.00 per barrel which will result in excess stock fund cash balances in FY 1986 of over $800 million. Additionally, current projections call for an FY 1987 composite rate ranging from $21 to $22 per barrel. Under DoD's stabilized rate policy, Stock Fund customers will be charged the budgeted composite rate, and therefore, the Stock Fund will have earned another $1.8 billion in excess cash by the end of FY 1987.

The Committee recommends that the Stock Fund Fuel account refund $2,665,123,000 in actual FY 1986 and anticipated FY 1987 cash excesses to their O&M customers. Anticipating this refund, the Committee recommends a corresponding reduction in the O&M accounts.

## INDUSTRIAL FUND REFUND

In establishing the rate structure to be charged customers by industrial fund activities in FY 1987, the Department assumed that there would be a net operating loss in the industrial funds of $310.0

million in FY 1986. Current projections call for a net operating profit of only $2.9 million, resulting in excess profits of $312.9 million in FY 1986 and again in FY 1987 under DoD's stabilized rate structure, which would result in total excess profits by September 30, 1987 of $625,000,000.

In addition, the Department assumed 4 percent inflation in developing its FY 1987 industrial fund rates with an additive cost of $452,000,000. In conjunction with revised inflation rate assumptions discussed later, the Committee reduces this increase by $226,000,000.

The Committee directs the Department to refund a total of $851,000,000 from the industrial funds to the O&M customer accounts. $751,000,000 of this refund is required to offset like reductions in the O&M accounts. $100,000,000 of this refund is to be passed through to the O&M, Army account for depot maintenance to be discussed later.

## INFLATION ESTIMATES

The Department used the OMB standard inflation rate of 4.0 percent in computing its non-fuel, non-pay related price increases for FY 1987. In FY 1986, DoD requested funds associated with 4.3 percent inflation estimates, however, current FY 1986 estimates of 3.5 percent are anticipated to drop even further as a result of the impact of lower fuel costs on commercial goods and services.

The Committee assumes that, as a result of the impact of lower fuel prices on the commercial sector the FY 1987 standard inflation rate will be 2.0 percent. The Committee recommends a reduction of $1,113,000,000 in the various O&M accounts as a result of this lower inflation estimate.

## FOREIGN NATIONAL EMPLOYEES COMPENSATION

The fiscal year 1987 total foreign national employees compensation program represents a 29 percent increase over the fiscal year 1986 program.

The foreign national employees compensation program has historically experienced lower than budgeted levels. For example, the fiscal year 1985 actual separation liability compensation level was 88.8 percent lower than the budgeted level.

Due to these lower than budgeted levels for foreign national employees compensation, the Committee believes the fiscal year 1987 compensation levels will be lower than budgeted. Therefore, the Committee has reduced foreign national employees compensation by $412,152,000 as follows:

| | *Thousands* |
|---|---|
| Army | −$363,637 |
| Air Force | −43,515 |
| Defense agencies | −5,000 |
| Total | −412,152 |

In addition, the Committee expresses its concern about the quality of the background investigations that are done in preparation for the issuance of security clearances to foreign national employees. The Committee directs the Department of Defense to ensure that those foreign national employees needing security clearances for employment, be given a thorough background investigation before the clearance is granted.

## PUBLIC AFFAIRS

In FY 1987, all the Services and Agencies of DoD either reduce, or hold constant in real terms, their funding for public affairs from FY 1986 levels, except for the Army and Marine Corps.

The Committee recommends that Army and Marine Corps public affairs funding be held to FY 1986 levels plus inflation, which reduces funding $400,000 and $200,000 respectively. The Committee also recommends that the public affairs limitation be reduced by $600,000.

## 1984 STOCK FUND ACCOUNTING CHANGE

In FY 1984, the Army and Air Force requested $194.6 million to implement a change in accounting policy which requires obligation of O&M funds when an order is placed with a Stock Fund and not when the order is delivered. The Congress agreed to the new policy, but reduced the requested funds and directed the Department to fund the change from available resources.

The Army and Air Force did implement the change, however, the source of funding was from the Surplus Fund of the Treasury. The Department's rationale for use of the Surplus Fund account was that the majority of pipeline orders in FY 1984 originated, and should be chargeable to, the expired appropriations of the prior two years. The GAO is in the process of examining this decision and we are awaiting a judgement on the validity of the procedure.

The one area in which the Department did act improperly in this action concerns the amount of the obligations from the Surplus Fund. The original appropriation request was for $194.6 million to implement this change. When the Department found they had the unlimited resources of the Surplus Fund to call upon, they obligated $624.6 million. It appears that the Department utilized this opportunity to procure items not originally intended. A case can be made that the Department bought out future requirements with this action and, as such, current appropriation requests are excess to their needs.

The Committee recommends that Army and Air Force purchases from the Stock Fund be reduced by $90,000,000 and $15,000,000 respectively.

## APPROPRIATED FUND SUPPORT OF MWR ACTIVITIES

Morale, Welfare, and Recreation (MWR) activities impact the entire military community—active duty, reserve, and retired personnel and their dependents as well as civilian employees. Virtually every Department of Defense (DoD) installation (over 900 in the U.S. and 360 overseas) has some sort of MWR program or activity.

Depending upon the nature of MWR activities, some are operated and maintained wholly or predominately with appropriated funds, while others are operated wholly or predominately with nonappropriated funds. DoD establishes Nonappropriated Fund Instrumentalities (NAFI's) to provide or assist in providing these activities for military personnel and authorized civilians. Administration of nonappropriated funds is accomplished only through a NAFI established to support MWR activities.

According to DoD policy, appropriated funds can be used for personnel costs for executive control and command supervision, facility maintenance, communications, supplies, equipment, construction, and utilities. Total estimated fiscal year 1987 appropriated fund support for MWR activities is about $1.4 billion.

| Appropriated funds: | *Thousands* |
|---|---|
| Army | $650,973 |
| Navy | 249,171 |
| Marine Corps | 61,107 |
| Air Force | 431,057 |
| DoD total | 1,392,308 |

*Improper use of appropriated funds.*—In both 1978 and 1984, the Comptroller General and in 1985, the OSD General Counsel, stated that intra-agency and interagency agreements or orders which effect appropriated fund transfers to NAFI's are improper (58 Comp. Gen. 94; B-214810; May 17, 1985 General Counsel opinion). A June 20, 1985, OSD memorandum directed the Services to comply with the decisions. However, since 1981, the Army and the Navy have improperly used appropriated funds to pay the salary costs of nonappropriated fund employees by using an intra-agency memorandum or order to transfer appropriated funds to NAFI.

The Committee agrees with the Comptroller General decisions and the 1985 OSD General Counsel opinion. The Committee strongly disapproves the establishment of procedures that provide appropriated funds to obtain services from NAFI's without going through established contracting procedures.

*Increasing appropriated fund support of MWR activities.*—The Department has not followed Congressional direction to minimize appropriated fund support of nonappropriated fund activities. For example, the Air Force has a creative way of increasing appropriated fund support of nonappropriated fund activities. They have increased appropriated fund support of revenue generating activities (golf courses, bowling centers and open messes) by 68 percent from fiscal year 1981 through fiscal year 1985. The resulting increased revenues from these activities ($21.7 million in fiscal year 1985) support other MWR activities. This method of funding results in the "laundering" of appropriated funds through revenue producing activities to non-revenue producing activities.

Furthermore, while the Committee agrees that the judicious use of appropriated funds to support revenue-generating MWR activities is beneficial in overseas locations, the Committee questions the Service's need to support revenue-generating activities at CONUS locations, especially those located in large metropolitan areas. In large metropolitan areas in the United States, the MWR activities on military installation must often compete with very lucrative businesses just outside the gates. Therefore, certain revenue-generating MWR activities may actually lose money if located in large metropolitan areas. Additionally, these activities appear less essential in promoting morale when the Service members are using public entertainment facilities.

*Committee direction.*—Nonappropriated funds represent the contribution of DoD personnel for the partial support of their own MWR programs. To the extent that NAFIs are reimbursed for their services, or the Air Force "launders" appropriated funds, the financial burden for MWR activities shifts from the beneficiaries to the taxpayer. The Committee believes it can no longer afford to do this.

Therefore, the Committee directs the Department to:

(1) Submit a report detailing the requested (as shown in prior year OP-34 budget submissions) and the actual (or year-to-date) obligations of appropriated funds in support of nonappropriated fund activities for fiscal years 1981 through 1987 and the budgeted appropriated support for fiscal year 1988 by June 30, 1987.

(2) Issue new policy guidance that will: (a) minimize appropriated fund support of nonappropriated fund activities. The improper and "creative" use of appropriated funds to supplement MWR activities should be addressed and curtailed by this policy; (b) by April 1, 1987, suspend the use of appropriated funds that support revenue-generating MWR activities in large metropolitan areas in the 50 United States.

A report detailing which activities and areas will be effected by the policy changes and the impact on appropriated fund support, should be submitted to the Committee by May 1, 1987. Based on this change, the Committee has made a total reduction in the Services' Operation and Maintenance accounts of $139,231,000 for support of revenue-generating MWR activities.

(3) Submit a report by September 1, 1987, on the feasibility of privatizing revenue-generating MWR activities located in the 50 United States.

## MILITARY HEALTH CARE

The functions of the approximately $10.8 billion military health care system are twofold: 1) to provide high quality peacetime health care to the 2.2 million active duty service members, while maintaining wartime medical requirements; and, 2) provide high quality health care to the approximately 8 million active duty dependents, retirees, their dependents and survivors. When care is not available through the "direct care" system—the military medical facilities—the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) is utilized on a cost sharing basis.

*Funding.*—In fiscal year 1986, the Department of Defense (DOD) budgeted a total $9.887 billion for medical activities. During execution of the fiscal year 1986 budget, the Services have experienced at least a $21 million shortfall in their funding of Uniformed Services Treatment Facilities (USTF's) and CHAMPUS has experienced an estimated $400 million shortfall. Both of these funding shortfalls were due to a variety of reasons including reductions for the Gramm-Rudman-Hollings legislation and nonprogrammatic congressional reductions. However, the major reason for the CHAMPUS funding shortfall was the transferring of workload from the "direct care" system to CHAMPUS. While the military treatment facilities experienced a drop in workload as CHAMPUS received an increase in workload, the Services' emphasis on many initiatives, including higher quality of care, precluded reductions to the direct health care system to fund the CHAMPUS shortfall.

While the fiscal year 1986 funding difficulties represent only a portion of the DOD medical care budget, these difficulties point to a systemic weakness in the budgeting process: lack of coordination and control between the Services and the Office of the Secretary of Defense (OSD).

To solve these control and coordination difficulties, the Assistant Secretary of Defense for Health Affairs (ASD(HA)) testified on the need for a single defense medical budget with control over the approximately $10.8 billion budgeted in fiscal year 1987 for all DOD medical activities. The Committee is opposed to a single defense medical budget. The Committee believes the ASD for Health Affairs can control the Services' expenditures on medical programs through oversight during the OSD budgeting process including the Program Objective Memorandum (POM) and the Program Budget Decision (PBD) phases.

However, there is one aspect of the medical programs budgeting process that the Committee directs the DOD to change: CHAMPUS funding. The Committee directs the Department to fund CHAMPUS expenses by reimbursement from the Services based on utilization. As envisioned by the Committee, CHAMPUS would become a revolving fund with financial control based at the Office of the Secretary of Defense (OSD) level. The Committee has funded a proposal by the House Armed Services Committee to accomplish the type of changes requested by this Committee. The Military Health Care account is discussed later in this report.

*CHAMPUS Reform.*—In fiscal year 1985, the Army tested a creative approach for the provision of off-base primary care—PRIMUS. This approach includes contracting with a private firm to provide first level medical care to qualified recipients of military health services. Initial cost data indicate that PRIMUS is more competitive than the direct health care system and less costly than CHAMPUS. Based on the relative success of the PRIMUS concept, the Army plans to expand its use in 1987 and the Navy plans to implement an unprecedented four such clinics in 1987.

The PRIMUS concept, on a small scale, represents the major change envisioned by DOD for providing health care to the military beneficiaries, retirees, their beneficiaries and survivors: Contracting for health care. This reform initiative, currently entitled IMPRINT, will replace CHAMPUS with regional contractors, or possibly one contractor, responsible for contracting with local health care providers to provide care to dependents and retirees. The objective is to establish fixed costs in the private sector for military beneficiary health care.

While the Committee agrees that CHAMPUS costs are higher than necessary and the Department should certainly take advantage of the current pricing of medical care, the Committee has many concerns. Put bluntly, the Department's plan to have this new program in place at the beginning of fiscal year 1988 is overly ambitious. There are too many important items that have not been finalized and too many items that keep changing focus, for the Committee to be comfortable with the Department's current plans.

Additionally, while it is logical to assume that costs under IMPRINT would be less than CHAMPUS, the Committee has not received any data from DOD to substantiate this claim. The Department's plans to replace CHAMPUS with IMPRINT will not allow for true cost comparison. More importantly, complete disestablishment of CHAMPUS does not provide for a "fall back" position that would ensure military health care, should the alternative experience problems or shortfalls.

Therefore, the Committee directs that starting no later than June 30, 1987, the Department conduct a two-year test of Project IMPRINT-type CHAMPUS alternatives in two different regions or subregions of the United States. At least one such test should be located in an area of uniformed services beneficiary population in excess of 30,000 where no inpatient military treatment facility exists, where there are significant geographic barriers, and where a significant portion of the uniformed services population resides and is employed outside a military treatment facility catchment area. The test should demonstrate a centrally managed comprehensive health care system that can be provided at a reduced cost and that would enhance existing services for both inpatient and outpatient care.

If the results of these tests are positive, the test should be considered the first phase of a multi-phased implementation of a CHAMPUS alternative such as IMPRINT. The Committee believes that if this approach is taken, there will still be a CHAMPUS program to fall back on for health service and a control group with which to compare health care costs.

Furthermore, the Committee directs the DOD to submit the following:

(1) A study done by DOD on the cost-benefit of implementing the CHAMPUS alternative currently titled IMPRINT. This analysis should be submitted to the Committee within 30 days of the release of this report.

(2) A detailed report on the implementation of the regional or subregional IMPRINT tests. This should be submitted by September 30, 1987.

(3) A report on the expenditures through fiscal year 1986 and fiscal years 1987 and 1988 planned expenditures, for all costs associated with developing, designing and implementing the CHAMPUS alternative, currently titled IMPRINT. This report should be submitted to the Committee by June 1, 1987.

*CHAMPUS—Medicare Link.*—The fiscal year 1987 budget included a reduction of $171,000,000 contingent on passage of legislation that would allow the per diem charge currently used for collections under the Federal Medical Care Recovery Act, diagnosis related groups, fee schedules and other related charges, to be used by the Department of Defense to pay charges under CHAMPUS. The appropriate legislation was included in the Consolidated Omnibus Budget Reconciliation Act of 1985.

The Committee, however, is concerned that the actual savings will not be as great as budgeted. The Department has not yet completed the development of the new rate structure and it has become apparent that new rates will not be ready for implementation until much later in the fiscal year. Based on this factor and the fiscal year 1986 CHAMPUS cost increase, the Committee has decided not to act on the budgeted $171,000,000 savings, making it available for CHAMPUS obligations, contingent on authorization.

*Medical Readiness.*—In fiscal year 1986, the Appropriations Committees provided $125.9 million above the budget request for medical readiness. The funding supported the purchase of deployable medical systems (DEPMEDS) beyond the budgeted level.

This Committee agreed with the additional funding due to our commitment of improving medical readiness. However, subsequent reports by the General Accounting Office (GAO) and this Committee's Surveys and Investigations (S&I) staff, indicate the procurement of the DEPMEDS may be, at present, a wasteful venture.

According to the S&I report, while over 50 percent of the DEPMED's units have been funded and are on order, chronic needs for readiness and sustainability components have yet to be accurately identified and corrected. Major support component problems, especially shortage of medical personnel, call into question the Department's ability to effectively use the equipment.

Further support shortfalls, including host nation support, were highlighted by both the S&I staff and the GAO staff. Host nation support agreements are the necessary ingredients to the prepositioning of DEPMED's in foreign countries for use by the United States during wartime. Many of the agreements that would be needed to preposition additional and in some cases procured units, have yet to be negotiated.

While the Department claims it can procure DEPMED's units now and store them in the United States until such time as a mobilization is ordered, the Committee questions this argument based on the nonavailability of both inter- and intra-theater airlift. While the Air Force and the Joint Chiefs of Staff have been studying airlift requirements since 1983, this Committee has seen no data to confirm or deny its suspicions. However, the Air Force has said that, "(I)f DEPMED's (are) stored beyond the point of anticipated usage, they will be of no value to the war effort because airlift will not be available to transport them to other chosen locations."

It appears to the Committee that further buys of DEPMED's may no longer equate to improving medical readiness. The program remains without firm control from the Assistant Secretary of Defense for Health Affairs and without coordination and cooperation on the part of the Services. It appears that the Department is not working hard enough to make this a successful program.

Therefore, the Committee must make a move to slow down the procurement of the DEPMED's units to give the Department time to solve the variety of readiness and sustainability problems cited in both the S&I and GAO reports. Accordingly, the Committee has reduced the following accounts:

| | |
|---|---|
| Army: | |
| 8 general hospitals: | |
| Other procurement | $74,400 |
| O&M | 60,400 |
| 1 300-bed station hospital: | |
| Other procurement | 4,400 |

| | |
|---|---|
| O&M | 1,600 |
| Total | 140,800 |
| Navy: | |
| 3 500-bed fleet hospitals (communication zone): | |
| Other procurement | 91,800 |
| O&M | 9,000 |
| Total | 100,800 |
| Air Force: | |
| 2 500-bed hospitals (communication zone): | |
| Other procurement | 21,250 |
| Stock fund | 10,050 |
| O&M | 4,000 |
| Total | 35,300 |

Furthermore, the Committee directs the Department to establish a revised DEPMED's procurement schedule based on availability of medical manpower, support equipment and supplies and host nation supports agreements. The Department should furnish this report to the Committee by June 1, 1987.

*Quality of Care.*—The Committee is pleased with the efforts the Department has made with improving the quality of care received in the medical treatment facilities. The Committee recognizes the tremendous financial and workload burden this has been.

However, we are concerned that the Services, in particular the Navy, are accomplishing this increased quality to the detriment of the total medical programs funding profile, most notably CHAMPUS. When the Services wish to increase their quality of care and need additional resources to do so, they should request funding in the current budget request or, if necessary, seek a reprogramming from available resources. The Committee cannot tolerate increased Service expenditures for quality at the expense of other DOD medical programs.

Additionally, the Committee is concerned that the medical community, in the name of improved quality of care, is relieving the Medical Service Corps (MSC) officer and the enlisted corpsmen of their responsibilities. The Services must rely on the MSC and the corpsmen to perform vital roles in both peacetime and wartime medical care. If the medical community continues to reduce their responsibilities, the Committee fears it could be faced with a decreasing number of these skilled people as they become more dissatisfied with their jobs. While the Navy has recently implemented a comprehensive professional career program designed to encourage health care management, the Committee is dubious over the participation of the MSC.

*Funding for Drug and Alcohol Abuse.*—In the fiscal year 1986 Appropriations Bill, the Committee directed the Department to submit a report on the feasibility of centralizing operation and maintenance (O&M) funding for drug and alcohol abuse. The Department submitted the required report and has convinced the Committee that centralization of the funding is not the best approach. However, the Department is requested to include a single budget exhibit to detail each Service's prior year, current year and budgeted year funding for drug and alcohol abuse. This budget exhibit should be structured like the charts provided to the Committee with the March 31, 1986, report on drug and alcohol abuse funding. This budget exhibit should be submitted with the fiscal year 1988 budget and future fiscal year budget requests.

*Hospital Ships.*—The Committee directs that in fiscal year 1987, no more than the amount appropriated be obligated for the Navy's hospital ship program. Furthermore, the Committee requests the Department to submit, by June 1, 1987, a report on the planned mission, staffing and funding for this program for fiscal years 1988–1992.

*Uniformed Services Treatment Facilities (USTF's).*—The Committee is concerned that the government's costs for the Uniformed Services Treatment Facilities (USTF's) continue to escalate at an alarming rate. From fiscal year 1983 to fiscal year 1985, USTF costs rose over 129%. The fee-for-service reimbursement mechanism clearly does not provide sufficient incentive for these facilities to control utilization and consequently, to control the government cost for USTF's. Therefore, the Committee concurs with House Armed Services Committee (HASC) direction to limit fiscal year 1987 expenditures for USTF payments to $114,000,000.

To achieve this reduction, the Committee expects the USTF's to work with the Department in negotiating fixed amount payment mechanisms like the flat-rate payment mechanism negotiated in 1984 with the Pacific Medical Center in Seattle, Washington.

Reductions made by this action should apply to payments for those USTF's that have experienced the largest cost growth and have not negotiated new contracts that are more favorable to the government.

*Dependent Dental Care.*—The fiscal year 1986 Department of Defense Authorization Act contained authorization (section 651) for the Secretary of Defense to establish a dental insurance program for spouses and children of active duty service members. However, no contracts could be signed or funds obligated until September 30, 1986, to initiate this program.

The fiscal year 1987 budget included approximately $79,000,000 to fund the dental care program for a full year. The Committee has provided only $18,000,000 for the dependent dental care program because the Department claims that the program could not be implemented until August 1987.

## CIVILIAN MANPOWER

In fiscal year 1985, the Appropriations Committees took the initiative to provide the Department of Defense (DOD) greater management flexibility by prohibiting the use of end strength ceilings in the management of civilian manpower. The Committees agreed that civilian manpower ceilings promoted inefficiencies. In fiscal year 1987, the Committee does not agree to the budget request to delete language which prohibits funds to impose civilian personnel ceilings on DOD activities, and has again included a general provision, section 9043, which prohibits the use of end strength ceilings in the management of civilian manpower.

There has been a great deal of concern about the growth of approximately 41,000 civilians, and $800 million, between the original fiscal year 1985 budget request and the actual fiscal year 1985 experience. The greatest share of the $800 million cost overrun belongs to the Navy which exceeded its fiscal year 1985 budgeted levels by $500 million. There were three major reasons why this occurred: Naval shipyard employment was not reduced as drastically as budgeted; Navy research laboratories experienced higher than budgeted workloads and therefore hired 2,700 more civilians, mostly scientists and technicians; and, Navy ordnance plants improved security by hiring 1,800 additional civilians. In fiscal year 1985, the Army spent $300 million more than budgeted on civilian manpower. The increase was largely driven by an unbudgeted $800 million authorized project for the Corps of Engineers that required an additional 1,300 civilians, the replacement of military personnel with low cost temporary civilians in positions that were not military essential and unbudgeted requirements to maintain production lines, based on congressional direction, which added 6,500 civilians.

The Air Force hired 7,399 more civilians and spent $100 million less than they requested in fiscal year 1985. At the same time, the Defense Agencies hired 1,409 more auditors, inspectors and quality assurance personnel for no more than the $2.7 billion originally requested for civilian manpower.

The experience of the Air Force and the Defense Agencies supports the Committee's belief that operating without end strength ceilings can work efficiently, if properly managed.

The Committee notes that the fiscal year 1987 Annual Report to the Congress by the Secretary of Defense states:

> As a result of Congressional action, in FY 1986 we are not operating under any end strength ceiling on the number of civilians . . . We welcome this opportunity to demonstrate that we can manage all our programs more effectively without statutory end-of-year employment restrictions.

The Annual Report notes that earlier exemptions for industrially funded activities and civilian technicians provided benefits due to a greater ability to respond to unexpected workload changes, elimination of the need to drop workers from the rolls, temporarily, and freedom to devote more emphasis to employee training and contract monitoring. It notes that these activities did not hire more civilians than were required to complete funded work.

The Committee continues to believe that the proper way to control manpower levels within the Department of Defense, is to consider civilian manpower a readiness program. If growth in the program becomes an area of concern, capping employment levels is not the answer; cutting back on the funding request is. However, many other readiness-enhancing programs, including the Navy's plan for 600 ships and a DOD-wide program to convert non-military-essential positions from military to civilian to free-up military personnel for other duties, must rely on increased civilians and therefore cut backs in manpower funding mean cut backs in other DOD programs.

The Committee has reduced the fiscal year 1987 Department of Defense funding request for civilian manpower employment and compensation by approximately $750,000,000. Approximately

$556,152,000 of this reduction is due to cut backs in new-start programs and program growth budgeted for fiscal year 1987, including an 18 percent reduction in program growth for foreign national employees compensation. Approximately $190,000,000 of the total reduction is a general reduction applied to the Services and should be available through aggressive manpower management.

Despite the provision of law and the positive statements from the Secretary of Defense, there are repeated reports that the services have in fact been imposing civilian personnel ceilings on activities. The Committee directs the Secretary of Defense to report whether in fact the Department is in compliance with this provision and to what extent ceilings have been imposed internally by the services.

The Committee directs that funding for medical personnel should not be subject to the $190,000,000 undistributed reduction. Furthermore, while the reduction is made in the operation and maintenance accounts, the Services are free to manage civilian manpower in areas funded with other than operation and maintenance funds in order to achieve the reduction imposed by this Committee.

## PRODUCTIVITY ENHANCEMENTS

During the execution of the fiscal year 1986 budget, the Department of Defense was required to find savings in its operation and maintenance accounts of $3.8 billion. To achieve a majority of these savings, the Department put emphasis on managing the funds designated for the civilian workforce. Managers within the Department chose to administer their civilian employment plans with a judicious use of temporary employees, overtime and programs to increase productivity.

To help increase productivity in fiscal year 1986, this Committee encouraged the increased use of productivity gainsharing programs throughout the Department of Defense. Concurrently, the Committee tasked the General Accounting Office (GAO) to review the status of productivity gainsharing efforts in the Department of Defense. The GAO specifically looked at past and ongoing gainsharing efforts, resulting productivity benefits, and barriers to successful gainsharing programs.

According to GAO, "The primary objective of gainsharing programs is to create conditions under which workers and management benefit by moving on parallel paths towards the common goal of improved productivity." Two major impediments or barriers, to gainsharing efforts actually producing increased productivity, are the lack of specific legislation authorizing such programs and the absence of Office of Personnel Management (OPM) policies and guidance.

Furthermore, while there is no legal authority which permits the use of administrative leave as an incentive, there is no specific prohibition in law or regulation that denies its use. This is an impediment to the Department for it reduces a manager's flexibility when designing and implementing productivity gainsharing programs. Additionally, it eliminates an employee's freedom of choice with regard to which type of incentive award (monetary, time-off, or even merchandise) is most important to them.

Therefore, the Committee determined that we must again give impetus to productivity efforts by:

(1) Encouraging the Department to continue its testing of productivity gainsharing efforts. The Department should continue working with OPM to develop policy and guidelines for PGS. The Committee would like to see both individual/small group gainsharing programs and large group/organizational, participative gainsharing programs tested.

(2) Including a general provision (Sec. 9090) that will allow the Defense Logistics Agency (DLA) to test the use of administrative leave as an incentive option during productivity gainsharing efforts.

(3) Stating that it is the Committee's belief that efforts to improve productivity are tools of manpower management. Managing manpower in the Department of Defense is a function of responsible budgeting and requirements determination. Increased productivity should be expressed as monetary savings and revised manpower requirements.

The Office of the Secretary of Defense (OSD) should continue to monitor all productivity gainsharing efforts. The Committee directs OSD to report back by September 30, 1987 on the manpower and productivity impact of DLA's use of administrative leave as an incentive.

In the fiscal year 1986 Department of Defense Appropriations Bill report, the Committee directed the Assistant Secretary of Defense for Force Management and Personnel (FM&P) to report on DLA's developmental and implementation plans for executing the iniatives addressed in the fiscal year 1986 report. The Committee directs these reports be provided no later than September 30, 1986.

## PRODUCTIVITY ENHANCING CAPITAL INVESTMENTS

Since 1975, the Department of Defense (DOD) has operated the Productivity Enhancing Capital Investment (PECI) program. The primary objective of the PECI program is to improve the efficiency of operations, functions and organizations by financing modern tools, technology and facilities. Through the PECI program, the Department has dedicated funds for high payoff capital investments to improve organizational or functional output/input ratios.

The DOD fiscal year 1987 request for the PECI program is $257.2 million, broken down into three major programs: Productivity Enhancing Incentive Fund (PEIF), $35.2 million; Productivity Investment Fund (PIF), $176.2 million; and, Component Sponsored Investment (CSI), $45.8 million.

The Committee is supportive of the concept of using capital investment opportunities to increase the productivity of the DOD workforce. However, both DOD and the General Accounting Office (GAO) have identified shortcomings in substantiating the reported savings. Further shortcomings result from congressional action on individual items, inadequate program management on the part of the Services, funding levels that are not sufficient to accommodate all the valid opportunities, and poor obligation rates.

The Committee dislikes the way the Department uses the savings generated from the PECI program for "unfinanced requirements".

It is the Committee's position that if requirements are unfinanced, the Department has made a conscious decision to fund other high priority items. These unfunded requirements may be long-vacant positions that are dropped from the "required" list due to the PECI purchase of microcomputers for a work group. In cases like this, it is questionable whether any actual savings to the government occurred. How can savings occur when no government funding is replaced by savings generated by the PECI purchase?

In future PECI program status reports issued by the Defense Productivity Program Office, the Committee wishes to see any claimed manpower savings expressed in terms of budgeted and funded manpower.

An additional criticism of the PECI program, especially the PEIF component, is its use in purchasing microcomputers. While it is assumed the use of microcomputers will enhance productivity it is an interesting phenomenon that work expands to meet the capability of the microcomputer instead of using the microcomputer's capability to allow the original amount of work to be accomplished by fewer people. Therefore, manpower needs never decrease and increased productivity is not realized.

There is a further criticism of the use of PEIF funds to purchase microcomputers. The Services often use PEIF funds to avoid time delays and procurement reviews inherent in the program/budget/appropriation process. A common complaint is that it takes too long to purchase a microcomputer. The Committee strongly disapproves the Department's use of investment funds dedicated to increasing productivity, simply as a means to avoid procurement and budget time tables. The Department has found ways, including requirements contracts, to purchase microcomputers in large quantities. The Committee would prefer means, other than PECI funding, be used to purchase microcomputers if true productivity savings cannot be verified.

The Committee is pleased to see the progress made by the Defense Productivity Program Office in addressing the concerns of both the Committee and GAO. The June 1986 PECI Program Status Report indicates new measures are being initiated to increase management oversight of the Program and improve obligation rates.

## TRAVEL

The following chart depicts funding for travel identified in the Services' O&M accounts for FY 1986 and 1987, and the real growth in FY 1987.

[In millions of dollars]

| | Fiscal year— | | Real growth, 1986–87 |
|---|---|---|---|
| | 1986 | 1987 | |
| Army | 679.8 | 668.1 | −21.6 |
| Navy | 301.1 | 308.4 | +3.4 |
| Marine Corps | 69.0 | 74.6 | +5.5 |
| Air Force | 516.5 | 522.1 | −2.9 |
| Defense Agencies | 194.2 | 221.5 | +20.7 |

[In millions of dollars]

| | Fiscal year— | | Real growth, 1986–87 |
|---|---|---|---|
| | 1986 | 1987 | |
| Army Reserve | 71.2 | 82.2 | +9.4 |
| Navy Reserve | 16.0 | 17.4 | +1.2 |
| M.C. Reserve | 5.9 | 5.9 | −0.2 |
| A.F. Reserve | 9.0 | 9.4 | +0.3 |
| Army Guard | 39.1 | 44.2 | +4.3 |
| Air Guard | 18.3 | 18.7 | +0.1 |

The Committee believes that Navy travel is excessive considering transfer of missions to the Navy Reserve. Navy Reserve travel growth since FY 1985 has been 21 percent which appears to exceed the growth in mission. Defense Agencies travel growth has been 41 percent since FY 1985, which appears excessive. Army Guard and Reserve travel budgets have grown by 76 percent and 28 percent respectively since FY 1985, far exceeding any growth in mission.

The Committee recommends that growth in travel of the Navy, Marine Corps, Defense Agencies, Army Reserve, Navy Reserve and Army Guard in FY 1987 be reduced by 50 percent for a total reduction of $22.4 million.

## AVERAGE FLYING HOURS

Total DoD flying hours increase by 235,000 in FY 1987, resulting from an increase of 583 aircraft (+154,600 hours) and a net increase in the average flying hours per aircraft (+80,398 hours). All of the Services have experienced healthy growth in the average flying time for their pilots since FY 1980 which has resulted in improved readiness and fewer accidents. The Army, Army Guard, Air Guard and Air Force Reserve request no growth in their average flying time in FY 1987, while the Navy, Air Force, Army Reserve and Navy Reserve all request further increases in average flying hours.

While the Committee does not recommend any cutbacks from current flying levels, it believes additional growth is unnecessary at this time. The Committee recommends that the Services limit average flying hours per aircraft to the FY 1986 levels. Flying hour funding is reduced as follows:

[Dollars in millions]

| | |
|---|---|
| O&M, Navy | −$99.8 |
| O&M, Air Force | −26.8 |
| O&M, Army Reserve | −1.2 |
| O&M, Navy Reserve | −2.1 |
| Total | −129.9 |

## FOREIGN CURRENCY FLUCTUATION ACCOUNT

The Foreign Currency Fluctuation (FCF) Account was established in FY 1979 in order to cover net losses in direct programs due to unfavorable fluctuations in foreign exchange rates. The continuing decline of the U.S. dollar in relation to foreign currencies, primarily the Mark and Yen, has resulted in the near depletion of the fund in FY 1986. It is estimated that the FCF account will contain less than $200 million by the end of FY 1986, far below the $500 million which the Committee believes is necessary in a normal year to offset fluctuations in currency rates.

The FY 1987 budget request was based on foreign currency rates as of December 1985. Should the foreign currency rates as of June 30, 1986 remain steady throughout FY 1987, the Operation and Maintenance accounts will require transfers from the FCF Account of approximately $700 million. Since the FCF account has only $200 million, the Services would be forced to draw down approximately $500 million in approved programs in order to offset these adverse fluctuations. At a time of constrained funding, a further reduction of $500 million in the O&M accounts could result in a lessening of readiness.

Current procedures allow for replenishment of the FCF Account out of the operating accounts when net gains are experienced as a result of currency fluctuations, which is not applicable at this time. Additionally, the Department is currently authorized to transfer into the FCF Account prior year O&M unobligated balances before those balances lapse into the Surplus Fund of the Treasury. However, FY 1985 O&M unobligated balances are estimated to be only about $100 million, far short of the requirement.

Due to the uncertainties of the foreign currency rates, the Committee is reluctant to add $500 million into the FCF account for FY 1987 because the dollar may grow stronger and the funds will not be needed. However, as a precaution, and in order to avoid any reductions in programs, the Committee recommends inclusion of a general provision (Section 9091), for FY 1987 only, which will allow the Department to transfer in unobligated balances from FY 1983 procurement appropriations to the FCF Account. These FY 1983 procurement accounts will lapse in September 1987 and will no longer be available for obligation and, as such, any unobligated balances will no longer be required for the purposes originally intended. This transfer authority is in addition to other transfer authority provided the Department and should be used only if foreign currency rates remain below budgeted rates.

The fiscal year 1987 foreign currency rates to be used during O&M program execution with regard to the FCF account are those used in developing the FY 1987 request, as follows:

[Units of foreign currency per one U.S. dollar]

| | |
|---|---|
| Belgium | 50.36 |
| Canada | 1.40 |
| Denmark | 8.97 |
| France | 7.54 |
| Germany | 2.46 |
| Greece | 150.80 |
| Italy | 1,678.00 |
| Japan | 200.55 |
| Netherlands | 2.77 |
| Norway | 7.58 |
| Portugal | 158.00 |
| Spain | 154.00 |
| Turkey | 569.65 |
| United Kingdom | .69 |

## PRINTING AND DUPLICATING SERVICES

In fiscal year 1985 the Department of Defense spent an estimated $600 million for printing and duplicating services, excluding those performed by copying machines. Of these amounts, $265.7 million is procured commercially, while the remainder is performed in-house.

The Committee's Surveys and Investigations (S&I) staff recently completed a review of Defense printing services and made a number of observations:

(1) Approximately 5 percent of Defense printing needs are classified and require in-house services.

(2) While GPO officials state that it is less expensive for DoD to print commercially than in-house, there was concern expressed by several GPO regional officials that GPO was unable to handle any additional Defense work, especially the low volume, quick turnaround work DoD currently retains in-house.

(3) The Army, Navy and Air Force currently operate over 700 printing and duplicating facilities that employ an estimated 5,000 military and civilian employees. Intra-service consolidation of printing facilities in areas with multiple Defense installations is not receiving the attention it deserves, even though cost savings could be experienced.

(4) The Army and Air Force utilize an O&M funding account that allows the customer or user to determine what will be printed and how quickly it will be delivered without being held accountable or responsible for staying within a printing budget. The Navy, on the other hand, has centralized their printing services under the Naval Printing and Publications Service (NPPS), which operates under industrial fund concepts. NPPS is modeled after private industry and charges individual users for printing services. This industrial fund concept provides an accurate base for proper reimbursement for work performed, fosters efficiency by forcing customers to consider cost impacts in determining the amount and delivery schedule for printing services, and allows for improved management and budgeting for printing requirements.

(5) Concerns were also raised about the move on the part of DoD towards electronic printing. The Services all have plans, in different stages of implementation, to procure automated electronic printing capability. The Army awarded a contract for their version of electronic printing known as 600-S. Concerns raised over the Army's contract centered around the lack of financial analysis to determine the cost or savings to the government. Additionally, the primary users in the field, Major Army Commands (MACOMS) were not consulted on this contract and were not told the amount of start-up costs, recurring costs and the cost per page prior to implementation of the contract. In fact, the MACOMs were not asked to review the proposal until three months after contract award. Army officials at one MACOM advised that a printing job that would cost $70,000 under competitive bid procedures is costing approximately $125,000 under the 600-S contract. The S&I staff was further advised that two MACOM commanding generals are preparing a joint letter of protest to the Department of the Army regarding the 600-S program.

The Committee believes that all of the concerns raised about Defense printing services and any unnecessary costs being incurred can be solved by consolidating all printing and duplicating services, currently operated by the military departments, under one defense printing agency. This agency would be operated under industrial fund concepts along the lines of the Naval Printing and Publications Service. Problems involving properly identifying costs to users and eliminating unnecessary printing facilities could be solved under this concept. Additionally, this agency could take the lead in determining defense-wide electronic printing requirements and providing the most cost-effective system for all the Services instead of having Service-unique systems. Any costs in establishing such an agency would be more than offset by increased efficiencies and reduced costs due to consolidation. Furthermore, the Committee believes the inconveniences that may be experienced by Defense customers will be minor when compared to the gains to be had in improved management and cost accounting.

The Committee directs the Department of Defense to establish a defense printing agency with all the equipment, supplies and personnel to be derived from existing printing/duplicating resources now operated by the military departments. The agency will be operated under industrial fund concepts with the customers' operating accounts being billed for services rendered. The Committee believes the existence of just such a system, in the form of the Naval Printing and Publications Service, will facilitate the establishment of the defense-wide agency, and the Department should have the agency established by September 30, 1987. The Department should submit a report to the Committee, by April 1, 1987, on the status of actions taken to comply with this direction. The Department will probably not have sufficient information available to include this change in their fiscal year 1988 budget request, however, since no additional costs are anticipated to implement it, any shifting of funds can be handled in the appropriation process or through reprogrammings.

Finally, the Department is directed to halt all funding for electronic printing services until after establishment of the defense printing agency. The agency will be responsible for procuring a defense-wide system, if it proves to be cost-effective.

## SURPLUS FUND/M ACCOUNT BALANCES

The Surplus Fund of the Treasury is an account in which unobligated appropriations are "merged" together for accounting purposes after lapsing their original availabilities. These funds remain available for adjustments to existing obligations, but only where the additional obligations do not increase the scope of work for which the obligation was originally created. The Committee's Surveys and Investigations (S&I) staff has identified numerous instances where funds were obligated by the Services from the Surplus Fund in which an apparent increase in scope of work occurred, e.g., the Army increased a contract for repair work, utilizing the Surplus Fund, by doubling the number of trucks to be repaired. The Surplus Fund grew by over 250 percent from FY 1973 to FY 1985 levels of $25.5 billion. The large increase in the Surplus

Fund resulted from the following: (1) deobligation of funds which had expired, (2) excessive obligations for contingent liabilities, which later fail to materialize, (3) the conversion of procurement and R&D accounts from no-year to a multiple-year availability. Concerns were raised by the S&I staff over possible abuses by DoD of the Surplus Fund. The presence of $25 billion in this fund and the apparent laxity of the Department in enforcing the "Scope of Work" limitations, makes for a temptation to utilize the funds for purposes not originally intended.

Unliquidated "M" Account balances are funds which have been obligated, but not liquidated, and the appropriations have lapsed for obligation purposes. The "M" Accounts have increased from $184 million in FY 1973 to $6.3 billion as of September 30, 1985. The large growth is a result of: (1) the shifting of the composition of the Defense budget to more long term investment items which liquidate over a longer period; (2) inclusion in this account of separation pay for foreign national civilian employees (3) reluctance on the part of DoD to deobligate invalid or overestimated amounts in the "M" account that are no longer required.

The Committee is concerned not ony about the ever-increasing amounts in the Surplus Fund and "M" Accounts, but also the possibility that the funds are not properly managed. In order to preclude improper use of these funds, the Committee directs the Department of Defense to implement the following guidance. The Committee expects the Department to comply with this direction by September 30, 1987 and to report back to the Committee by April 1, 1987 on how and when it will be implemented.

(1) The Committee directs the Department to implement the following guidance to the military services/agencies on the use of Surplus Funds:

(a) All upward adjustments of obligations in excess of $100,000 which involve any individual action or contract, must be reported to and approved by the Service Secretary. There should be no "netting-out" of obligation adjustments, i.e., offsetting upward adjustments with downward adjustments.

(b) Develop a specific definition or series of definitions of "Scope of Work", to be used by the Services in determining whether or not they may adjust obligations utilizing Surplus Fund balances. Where possible, guidance should contain examples of instances both when and when not Surplus Fund balances should be used. In those instances where no clear-cut determination can be made by an activity, the Service General Counsel should make the final decision.

(2) In order to decrease the size of the Surplus Fund, the Department of Defense should submit to the Office of Management and Budget (OMB) a proposal for OMB to develop and submit legislation to the Congress that would allow Federal Agencies to "write down" or eliminate unnecessary Surplus Fund balances.

(3) In order to more properly account for certain obligations, the Department is directed to submit proposed legislation to establish a Foreign National Employee Separation Pay Fund similar in nature to the Military Retired Pay Fund. Establishment of such an actuarily-sound fund would allow for the orderly transfer of separation pay amounts out of the "M" Account. In addition, such a fund

would allow the Service to more properly and accurately budget and account for these payments.

(4) In order to reduce the number of improper or invalid obligations in the "M" Account, the Department of Defense should establish and strictly enforce annual requirements for the Services and Defense Agencies to review unliquidated obligations to ensure they are still required.

## LEGISLATIVE LIAISON ACTIVITIES

The Appropriations Committees have long been concerned with controlling the costs of Defense Department legislative liaison activities. Legislative activities must not be allowed to proliferate since they would detract from manpower needed for the combat capabilities of the Services. For many years, the annual Appropriations Act has contained a legal cost ceiling for such activities.

In June 1986 the General Accounting Office published its report entitled "DOD Legislative Activities: Better Guidance, Accountability, and Reporting Needed." It clearly shows that the Department's management of these resources is deficient, in spite of a long history of Congressional, GAO, and DOD Inspector General concerns and recommendations. GAO reports that DOD organizations are not reporting the full extent and cost of their legislative activities. A key reason is the failure of DOD to issue guidance as was required by Congress in 1975 and recommended by the DOD Inspector General in 1982. The Committee also questions the need for so many legislative liaison functions below headquarters level, and the current policy void which evidently allows them to be excluded from the annual cost ceiling.

The Committee directs the Secretary of Defense to report by February 1, 1987 on actions to halt the proliferation of legislative liaison activities, to improve their management, and to require that the legal cost ceiling be administered properly. His report should address the manpower and annual operating budget for each Defense activity which performs legislative liaison activities and whether the Department considers it to be covered by the annual legislative cost cap. In addition, the report should address how each of the concerns in the recent GAO report have been satisfied. The Comptroller General is directed to report by March 1, 1987, whether the Department's management actions are responsive to the Committee.

## ANTI-SKID SURFACE COVERINGS

Working conditions, particularly job safety, directly affect the performance and morale of federal personnel. The surface condition of floors, ramps, dock facilities, stairways and sidewalks can significantly increase or decrease job safety. The Committee is aware that there are anti-skid, anti-fatigue surface coverings available at moderate cost and with warranties as long as ten years which, if installed, can substantially improve job safety. The Committee urges the Department of Defense to consider increasing its usage of such surface coverings in new and existing facilities for which it is responsible.

## ENERGY ISSUES

### CONVERSION/REPLACEMENT OF HEATING PLANTS AT U.S. FACILITIES IN EUROPE

The recent adoption by the Federal Republic of Germany of new environmental laws will require expensive modifications and adjustments to existing combustion-powered utilities throughout the FRG. This includes the coal-fired heating plants at U.S. defense installations. In the present budgetary climate, the future availability of DoD funds to bring these plants into environmental compliance is doubtful. As a result, the House Armed Services Committee included a provision in the Fiscal Year 1987 Defense Authorization Bill giving the Service Secretaries authority to use the German utility system for heating, where practical. This provision would permit conversion to so-called "district heating" connections, provided by utilities servicing local German municipalities.

The Committee agrees with the intent of the Armed Services action. However, the Committee believes conversion to any energy source must be accomplished in the most cost-effective manner. There are alternatives to district heat which may be able to provide the required services at less cost while offering greater security. For example, the Committee is informed that West German industry can construct new technology solid fuels heating systems which will comply with the new FRG environmental regulations. Through the use of existing third-party financing authority, the cost of constructing such systems could be borne by West German industry, at no cost to the U.S. government. In addition, such facilities could be located on the military installation proper, giving U.S. military personnel direct access to and control over their heating facilities, a significant advantage over district heating.

Until the question of cost-effectiveness is resolved, the Committee believes it would be imprudent for the Department of Defense to commence any additional conversions to district heating beyond those projects already specifically approved by the Committee in prior years. Therefore, the Committee directs that no additional conversions to district heat be undertaken without specific Committee approval. Any proposed conversion must be brought to the Committee's attention by the submission of a report. The report will address the question of whether the proposed heating source adequately meets security concerns, particularly assured access. Also, it must be demonstrated to the Committee that district heat (or any other proposed alternative energy source) is the most cost-effective heating source available, including consideration of solid fuels heating facilities constructed on the grounds of the U.S. installation, and funded through use of third-party financing authority.

### CONVERSION OF DOMESTIC MILITARY FACILITIES TO COAL-BURNING STEAM PLANTS

Section 8110 of P.L. 99-190 directed the DoD to implement its proposal to increase coal consumption in the United States. This section also specifically directed that by 1994 DoD increase coal consumption in the U.S. by 1.6 million tons annually, and directed that during implementation of the plan DoD purchases of anthracite coal be maintained at a stable level at 302,000 tons annually.

The Committee encourages DoD to meet these targets, however, the Committee believes that DoD should be guided by its existing practice of using the most feasible and most cost-effective fuel system in the construction of new plants or conversion of existing plants.

### PURCHASE OF UTILITIES

The Committee has been made aware of a rule proposed by the Department of Defense and other federal agencies (51 Fed. Reg. 16988–16991) and a change to Section 8.304–91 of the Air Force Federal Acquisition Regulation Supplement which would affect the purchase of utilities by Defense installations. The Committee is concerned about the impact of these proposed rules on local utilities and has included a general provision, Section 9108, which prevents the Department of Defense from implementing or enforcing these rule changes. Furthermore, the Committee directs the Department not to implement additional changes affecting the purchase of utilities until after it has been formally presented to and approved by the Committee.

### DEFENSE COOPERATION WITH OIL EXPLORATION

House Report 99–332, which accompanied the Department of Defense 1986 Appropriation Bill, expressed the Committee's concern that Department of Defense activities in the eastern Gulf of Mexico could impede the expeditious search for oil and natural gas on the outer continental shelf. Full consideration should be given to the eastern Gulf of Mexico's status as a largely unexplored region, which could be an extension of our nation's most prolific offshore oil and gas provinces in the central and western Gulf of Mexico.

Because the replenishment and development of domestic oil and natural gas reserves is critical to the Department of Defense mission and our national security, the Committee believes that the Air Force, Army, Navy and all other Department of Defense activities should continue to conduct their activities in cooperation with private industry and their eastern Gulf of Mexico oil and natural gas development efforts.

## Training and Other Personnel Support

Because military personnel issues addressed by the Committee usually involve both the military personnel and operation and maintenance accounts, such items as recruiting, skill training, and military end strength "tails", which are reflected as adjustments in Title II, are discussed as a part of the overall military manpower program under Title I.

## Guard and Reserve O&M Issues

For convenience of reference, Guard and Reserve O&M issues are discussed earlier in the report under Guard and Reserve Forces.

## CLASSIFIED PROGRAMS

Reductions in the operation and maintenance accounts associated with classified programs and changes to the emergency and extraordinary expense limitations are addressed in the classified annex to this report. The Committee expects the Department to apply all across the board reductions proportionally amongst classified and unclassified programs.

## REPORT ON MILITARY SITUATION ON KOREA PENINSULA

The Congress makes the following findings:

(1) Peace and stability on the Korean peninsula are vital to United States interests in East Asia and elsewhere.

(2) The United States commitment to the defense of the Republic of Korea is a key element of peace and stability on the Korean peninsula and should be maintained for the foreseeable future.

(3) The Republic of Korea occupies a special place in United States military strategy and force posture, as shown by many factors, including—

(A) the Mutual Defense Treaty of 1954,

(B) the 40,000 members of the Armed Forces of the United States based there,

(C) the combined command structure,

(D) extensive joint war planning and training, and

(E) the high degree of compatibility and interoperability of United States and Republic of Korea forces.

It is the sense of Congress that—

(1) given the severe economic constraints now facing the United States, it is essential to examine the size, cost, and scope of all major United States military commitments and deployments overseas in an effort to identify potential areas for cost-savings without jeopardizing other United States and allied interests;

(2) while United States military relations with other treaty allies (such as member nations of the North Atlantic Treaty Organization, Japan, and the Republic of the Philippines) have been extensively examined and debated in recent years (particularly with respect to relative contributions to the common defense), insufficient attention has been focused recently on the United States military relationship with the Republic of Korea and the potential it may offer for cost-savings;

(3) there is a significant need for more information about, and a closer examination of, the military balance on the Korean peninsula and the role of United States military forces in the defense of the Republic of Korea; and

(4) in light of the economic performance of the Republic of Korea, the United States should be making additional efforts to encourage the Republic of Korea to enhance its self-defense capabilities and that eventual self-reliance with respect to military capabilities is a desirable goal for the Republic of Korea.

The Secretary of Defense shall submit to the appropriate committees of Congress each year, not later than February 1, a report in both classified and unclassified form, containing the following:

(1) An overall assessment of the static and dynamic military balance on the Korean peninsula, citing specific and major military strengths and weaknesses of both the Republic of Korea and the Democratic People's Republic of Korea (hereinafter in this section referred to as "North Korea"), taking into account all active and reserve forces capabilities. The assessment shall include a detailed breakdown, by number and type, of the order of battle for each nation (including comprehensive data on weaponry, manpower, combat readiness, logistics support, sustainability, and mobilization capabilities and quantitative and qualitative comparisons of the respective forces), and such factors as the different force structures and missions of the armed forces of the Republic of Korea and North Korea, geography, terrain, leadership, experience, training, and morale. The assessment should also address the importance of the relative strength of military and civilian industrial and population bases to the military balance on the peninsula.

(2) A determination of whether a militarily significant disparity exists between the military capabilities of the Republic of Korea and North Korea and, is such a disparity exists, whether it has widened during the past ten years and what future trends related to it are likely to be.

(3) An analysis of the following specific issues:

(A) The threat posed by North Korea's commando forces.

(B) The impact on the military balance on the Korean peninsula of the delivery of the MiG-23 aircraft to North Korea and F-16 aircraft to the Republic of Korea.

(C) The implications of the deployment of more North Korean forces closer to the Demilitarized Zone in recent years.

(D) The effect of the diversion of United States Bell helicopters to North Korea.

(E) The strategic importance of North Korea's hardening of military facilities.

(F) The adequacy of the Republic of Korea's intelligence and early warning capabilities.

(4) A comparison of military spending by the Republic of Korea and North Korea between 1970 and 1986 to the extent such information is available to the United States Government through all sources, in current and constant dollars, including measurements of military spending as a percentage of gross national product and of central government expenditures, and per capita military spending. The report should also include an analysis of whether and why the Republic of Korea's increased military spending since the mid-1970s has or has not resulted in a change in the military balance on the Korean peninsula.

(5) An evaluation of the progress that the Republic of Korea has made toward greater military self-reliance during the past decade. The report shall also include a description of the efforts that the United States has made to enhance such self-reliance and an estimate of what level of Republic of Korea military spending, procurement programs, and other defense improvement actions, as well as what level of United States security assistance, will be required for the Republic of Korea to

achieve a meaningful degree of military self-reliance within a reasonable time period that would permit cost-saving changes in the United States force structure in the Republic of Korea.

(6) A detailed breakdown of United States military forces (including personnel, weapons systems, equipment, combat readiness, logistics support, and sustainability) stationed in the Republic of Korea, and their specific missions; an assessment of the relative importance of the various elements of the United States contribution to deterrence and war-fighting in Korea, considering both United States nuclear-capable and conventional forces in the Republic of Korea; an identification of United States forces outside of the Republic of Korea (both in Asia and the Pacific region and in the Continental United States), whose primary mission is reinforcement in Korea and those which have a secondary mission of reinforcement in Korea, the relative importance of these primary and secondary reinforcement forces to the defense of Korea, and the extent to which these forces and capabilities also are assigned military responsibilities in other areas of the world, especially in the Persian Gulf/Southwest Asia region and NATO Europe.

(7) Details on the cost of maintaining United States forces in the Republic of Korea, with specific breakdowns for various elements of the United States presence; details on the cost of the entire United States military commitment to Korea, including the cost of all United States forces which would be used directly or indirectly in a war on the Korean peninsula; and details on the Korean contribution to offsetting the cost of maintaining United States forces in the Republic of Korea.

(8) An assessment of the military threat to the Republic of Korea, including the role that the Soviet Union, the People's Republic of China, and other allies of North Korea and of the role the United States and other allies of the Republic of Korea would play in a future conflict on the Korean peninsula, and whether the likelihood of hostilities that could lead to a military confrontation between the Republic of Korea and North Korea has increased or decreased in the year preceding the release of the report.

(9) A chronology and analysis for the ten years preceding the release of the report of the efforts of the United States, the Republic of Korea, North Korea, the Soviet Union, the People's Republic of China, and any of their respective allies to reduce military tension on the Korean peninsula.

(d) Each report under subsection (c) (other than the first such report) shall include a discussion of significant events and changes with respect to matters required to be included in the report since the last such report.

## OPERATION AND MAINTENANCE, ARMY

| | |
|---|---|
| Fiscal year 1986 appropriations | $18,975,507,000 |
| Fiscal year 1986 adjusted base | 18,045,707,000 |
| Fiscal year 1987 budget request | 21,341,870,000 |
| Committee recommendation | 19,774,531,000 |
| Change | −1,567,339,000 |

The Committee recommends an appropriation of $19,774,531,000 for Operation and Maintenance, Army. The recommendation is an increase of $799,024,000 above the $18,975,507,000 in total obligational authority for fiscal year 1986 and $1,728,824,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

The table also identifies how the Committee recommendations compare with specific items adjusted by the 1987 Defense Authorization Act. Differences between authorized and appropriated amounts and adjustments not addressed in the Authorization Act are discussed elsewhere in the report.

[In thousands of dollars]

| | HASC authorization | Adjustment recommended in this bill |
|---|---|---|
| Stock fund fuel (refund) | −185,700 | −185,700 |
| Industrial fund—refund | −60,000 | −155,100 |
| Inflation reestimate | | −246,000 |
| DEPMEDS funding | −62,000 | −62,000 |
| ADP management | −40,000 | −60,500 |
| Foreign national employee compensation | | −363,637 |
| Public affairs | | −400 |
| 1984 stock fund accounting change | | −90,000 |
| Appropriated fund support of MWR | −20,000 | −65,097 |
| Recruiting and advertising | −1,000 | −12,765 |
| Equipment modernization | | −15,000 |
| Wartime host nation | | −2,300 |
| Commissary transportation | | −823 |
| Contractor technical support | | −10,000 |
| Engineer support | | −2,178 |
| RDT&E base operations | | −4,987 |
| Remote education | −1,000 | −2,100 |
| National Board for the Promotion of Rifle Practice (transfer) | | −1,887 |
| OB/GYN care | | −1,036 |
| Frozen Blood Program | | −1,226 |
| Over 40 Reserve exams | | −2,000 |
| Enhanced skill training | | −2,424 |
| Specialized training | | −3,000 |
| Reception center operational evaluation | | −377 |
| Recruit training | | −517 |
| One station unit training | | −1,290 |
| Classified programs | −7,500 | −7,595 |
| Military personnel growth | −100 | −100 |
| Civilian pay | | −75,500 |
| Cap on USTF funding | −19,400 | −19,400 |
| Coordination of benefits | −5,300 | −5,300 |
| Health care enrollment | −2,700 | −2,700 |
| 6th division support | −28,600 | −28,600 |
| Flight training | −9,400 | −4,700 |
| Force modernization | −20,000 | |
| Flying hours | −6,000 | |
| Authorization growth reductions not otherwise taken | −131,100 | −131,100 |
| Total | −599,800 | −1,567,339 |

## DEPOT MAINTENANCE OF COMMUNICATIONS—ELECTRONICS EQUIPMENT

For several years the Committee has expressed its concern over the operations at Army Depots responsible for repair of communications and electronics (C–E) components. Prior correspondence from the Army to the Committee has documented the increase in requirements and workload at these depots from FY 1985 to FY 1987 and beyond. However, recent correspondence from the Army identifies funding shortfalls in FY 1986 which result in reduced workload and reductions in manpower in these facilities. The Committee believes it is imperative that the Army's C–E equipment be kept at the highest state of readiness. It is also imperative that this repair of C–E components, as a core logistics function, be performed in-house as much as possible.

To correct the funding shortfall, the Committee directs that $100,000,000 of the excess industrial fund profits discussed earlier in the report be transferred to O&M, Army to eliminate the depot maintenance backlog. The Committee expects the Army to fully fund its requirement for repair of C–E components. Additionally, in order to ensure the viability of core logistics functions for repair of C–E components, the Committee recommends a general provision, section 9092, which establishes a floor for civilian employment at the three depots performing such work. This floor will allow the Army to maintain an in-house workforce capable of performing essential C–E component repairs.

## ARMY ADP

The Army budgeted $1,571,669,000 for the operation and maintenance of automatic data processing equipment and systems in fiscal year 1987. The Committee proposes a reduction of $60,500,000 as follows:

[In millions of dollars]

| | |
|---|---|
| Supercomputers | –3.0 |
| Corporate data base | –2.2 |
| VIABLE | –20.0 |
| Commodity control standard system | –25.0 |
| Integrated procurement system | –7.8 |
| Theater Army Medical MIS | –2.5 |
| Total | –60.5 |

Reductions to supercomputers, corporate data base, VIABLE, Commodity Control Standard System, and Integrated Procurement System are related to reductions in the Other Procurement, Army appropriation for these programs. VIABLE funds are transferred to the Guard and Reserve Operation and Maintenance appropriations for the Continental Army Management Information System (CAMIS) follow-on effort. Theater Army Medical Management Information System funds are not approved since the Army has failed to coordinate its development with the Defense Systems Medcial Support Center under the Assistant Secretary of Defense for Health Affairs. These special interest items should be clearly designated on DD Form 1414, Base for Reprogramming Actions for fiscal year 1987.

## EQUIPMENT MODERNIZATION PROGRAM

In both FY 1985 and 1986, the Army has overestimated funding requirements for modernization of equipment. Original FY 1985 estimates of $105,000,000 became actual obligations of only $79,000,000. Based on actual obligations through March, the FY 1986 program will only require approximately $80,000,000, versus the Army's original estimate of $101,000,000. Based on the inability of the Army to obligate the funds provided for equipment modernization, the Committee recommends a reduction in FY 1987 funding of $15,000,000.

## WARTIME HOST NATION SUPPORT

The FY 1987 request of $11,160,000 for Wartime Host Nation Support was based on the planned activation of 19 West German reserve units. The current activation schedule calls for only 11 units to be activated. The Committee recommends that funding be reduced by $2,300,000.

## COMMISSARY TRANSPORTATION

The Army is projecting growth of over 10,000 measurement tons of supplies for overseas commissaries in FY 1987. The tonnage has remained relatively level for the past several years, there are no programmed increases in the number of commissaries, and no valid justification was provided for the growth. The Committee recommends that funding be reduced for commissary transportation by $823,000, which will allow for shipments at FY 1986 levels.

## CONTRACTOR TECHNICAL SUPPORT

Requested funds by the Army for contractor technical support almost doubles from FY 1985 to FY 1987. The Army appears to be placing too much reliance on contractor support and not enough on developing their own in-house capability. Without sufficient in-house expertise, the Army will be unable to maintain their equipment under wartime conditions. The Committee recommends that funding for contractor technical support be reduced by $10,000,000.

## ENGINEER SUPPORT

An increase of $2,178,000 is requested for engineering support to fund expanded travel and customer interface associated with the dispersion of the construction mission from the New York to Ohio River Division. If anything, the dispersion of this mission should reduce travel requirements, not increase them. The Committee recommends that the $2,178,000 requested increase be deleted.

## ARMY RDT&E BASE OPERATIONS

In FY 1987 a series of transfers took place between the O&M, Army and RDT&E, Army appropriations concerning Base Operations funding. According to documents provided by the Army, $22,468,000 was transferred from O&M activities to R&D activities; however, the O&M justification book identifies transfers out of only $20,374,000. Additionally, the documentation states that

$13,560,000 was transferred out of RDT&E activities to O&M activities, and the O&M justification only identifies a $10,667,000 gain. The Committee recommends that the O&M accounts be reduced by the $4,987,000 that was either not transferred to the R&D account for some activities or transferred from R&D and utilized for other activities.

### OB/GYN CARE

The Army has requested $1,036,000 to increase routine OB/GYN care at Ft. Bragg. Currently, routine OB/GYN care is provided here and at other medical treatment facilities on a space available basis. This request is inconsistent with the Secretary of Defense statement that the Department will concentrate on providing care related to medical readiness in the medical treatment facilities. Furthermore, the Army is increasing its use of contracting for primary care and this can be used to provide OB/GYN care.

### FROZEN BLOOD PROGRAM

The Army requested $1,226,000 to establish and operate frozen blood processing, storage and distribution facilities. This will allow 19,000 units of frozen blood supplies to be prepositioned in Europe.

The storage of these blood supplies at the European sites will require special equipment that will not be requested until fiscal year 1988. Based on the equipment's future requisition date, this request is premature. Therefore, the Committee has made a reduction of $1,226,000 for the Army's frozen blood program.

### RESERVE OVER-40 EXAMINATIONS

The Army requested $2,000,000 for a new start program, examinations for reserve members that are over 40 years of age.

The program has been approved for active duty members, but there is no evidence that it is necessary in the reserve component. Therefore, the Committee has reduced the request by $2,000,000 and directs that no funds be obligated for this program in fiscal year 1987.

## OPERATION AND MAINTENANCE, NAVY

| | |
|---|---|
| Fiscal year 1986 appropriations | $24,477,071,000 |
| Fiscal year 1986 adjusted base | 23,277,695,000 |
| Fiscal year 1987 budget request | 25,688,500,000 |
| Committee recommendation | 22,993,227,000 |
| Change | −2,695,273,000 |

The Committee recommends an appropriation of $22,993,227,000 for Operation and Maintenance, Navy. The recommendation is a decrease of $1,483,844,000, below the $24,477,071,000 in total obligational authority for fiscal year 1986 and $284,468,000 below the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustment to the fiscal year 1987 request discussed elsewhere in this report.

The table also identifies how the Committee recommendations compare with specific items adjusted by the 1987 Defense Authorization Act. Differences between authorized and appropriated amounts and adjustments not addressed in the Authorization Act are discussed elsewhere in the report.

[In thousands of dollars]

| | HASC authorization | Adjustment recommended in this bill |
|---|---|---|
| Stock fund fuel—refund | −889,700 | −889,700 |
| Industrial fund—refund | −70,000 | −386,900 |
| Inflation reestimate | | −420,000 |
| Travel | | −1,700 |
| Average flying hours | | −99,800 |
| DEPMED funding | | −9,000 |
| ADP management | | −14,900 |
| Appropriated fund support of MWR | −9,000 | −24,917 |
| Recruiting and advertising | | −17,165 |
| Ready reserve fleet | | −500 |
| Overhaul advance planning | | −56,100 |
| Fleet training flying hours | | −45,000 |
| New ship deliveries | | −1,500 |
| Service craft maintenance | | −1,234 |
| Seastrat hardware | | −2,100 |
| Exercise airlift support | | −449 |
| Cruise missile engineering support | | −5,000 |
| Poseidon submarine dismantling | −265,000 | −506,000 |
| Recruit training | | −394 |
| Naval reserve officer training corps | | −250 |
| Officer acquisition | | −4,000 |
| Specialized skill training | | −538 |
| TACAIR flying hours | | −50,000 |
| Training/funding realignment | | −16,400 |
| Flight training | | −1,395 |
| Other personnel activities | | −645 |
| Civilian education program | | −100 |
| Offduty and voluntary education | | −2,792 |
| Relocatable OTHR | | −2,738 |
| Naval space surveillance system | | −2,315 |
| Classified programs | −11,100 | −11,991 |
| Civilian pay | | −63,050 |
| Military personnel | −11,300 | −11,300 |
| Medical programs | −18,500 | −18,500 |
| Medical legislative contingencies | −3,100 | −3,100 |
| Modernization | −10,000 | |
| Authorization growth reductions not otherwise taken | −23,800 | −23,800 |
| Total | −1,311,500 | −2,695,273 |

## Public/Private Ship Overhaul Competition

The Department requested that the Committee delete the language included in the past several Appropriation Acts concerning a test program to compete ship overhauls between public and private shipyards. In hearings before the Committee, the Navy testified that they no longer consider this public/private competition to be a test. The Navy is firmly committed to this competition and believes that it enhances efficiency in the yards and lowers costs.

Since the Navy has established this public/private competition as an operational concept, the Committee believes it is no longer necessary to continue the bill language and, therefore, has not included the language in the fiscal year 1987 Defense Appropriation Bill.

### OVERSEAS SHIP REPAIR WORK

The Committee is concerned about the volume of ship repair work now being contracted for overseas and notes that in FY 1985 alone, the Navy spent $107 million on overseas contracts for ship repair work just for ships homeported in the Pacific area. While the Committee is cognizant of the necessity of contracting emergent work overseas and the need to minimize family separation, it objects to work which is planned well in advance such as overhauls and SRA/PMAs being contracted overseas simply because a ship is homeported there and encourages the Navy to consider the benefits in jobs, balance of payments, and the stabilization of our maritime industrial base to be accrued by conducting some non-emergent work in the United States for ships homeported overseas.

In addition, the Committee has been made aware of instances where ships owned and operated by the Military Sealift Command, which are homeported in the United States, are overhauled for non-emergent work outside of the United States. The Committee believes the need to maintain the U.S. ship repair industrial base outweighs any other reason for contracting this ship repair work overseas. The Committee recommends a general provision, Sec. 9099 which prohibits the repair of ships, normally homeported in the United States, by foreign shipyards, except for necessary, unscheduled emergent work.

### FAIRNESS IN SHIP REPAIR COMPETITION

The Committee urges the Navy to give consideration to unique characteristics of public shipyards, including the ability to handle emergency work requirements, in establishing criteria for evaluating competition for overhauls.

### NAVY ADP

The Navy budgeted $1,132,947,000 for the operation and maintenance of automatic data processing equipment and systems in fiscal year 1987. The Committee proposes a reduction of $14,900,000 as follows:

[In millions of dollars]

| | |
|---|---|
| Stock Point Integrated Logistics Communications Environment | −4.3 |
| Naval Air Logistics Command MIS | −8.4 |
| Basis and Stations Information System | −2.2 |
| Total | −14.9 |

Reductions to these programs are related to reductions in the Other Procurement, Navy appropriation.

### READY RESERVE FLEET

In FY 1987 the Navy requests a total of $31.3 million for dispersal and breakout of the Ready Reserve Fleet (RRF). The $27.7 million for RRF breakouts not only increases the number of breakouts from 12 to 14 ships, but also expands the scope of the breakouts as evidenced by the increased average cost from $1.6 million for both FY 1985 and 1986 to the $2.0 million cost in FY 1987. Additionally, the Navy has budgeted $3.6 million for RRF Dispersal, however, this is insufficient to totally fund the full 51 ships programmed for dispersal. The estimated cost to disperse all 51 ships is $7.5 million.

The Committee recommends that funding for RRF breakouts be reduced by $4,400,000, which will allow for the requested 14 ship breakouts, but at FY 1986 levels. The Committee directs that $3,900,000 of the breakout savings be shifted to the RRF Dispersal program, which will fully fund all 51 ships programmed for dispersal. The remaining $500,000 is recommended as a reduction.

### OVERHAUL ADVANCE PLANNING

Funding for advance planning for ship overhauls increases from $75 to $163.9 million in FY 1987. Of the requested amounts for FY 1987, $56.1 million is requested to support the refueling overhaul of the USS Enterprise (CVN 65) to begin in June 1990. It should not take over 3 years to perform advance planning for this overhaul. The Committee recommends that funding be reduced by $56,100,000.

### AIR TRAINING FLYING HOURS

From FY 1983 through 1985 the Navy flew only 95 percent of its funded fleet air training flying hours due to overestimates of pilot training rates. In FY 1987, flying hours increase by over 50,000 or 22 percent over actual FY 1985 hours. In addition, the General Accounting Office reviewed documents used in developing the FY 1987 request and compared aircraft inventories, crew requirements and attrition rates to current Navy estimates. GAO determined that the Navy has overestimated both student loads and training flying hours.

The Committee directs the Navy to reduce training hours by 22,700 which results in a savings of $45,000,000. FY 1987 flying hours will still grow by 28,000 or 12 percent over FY 1985 actual requirements.

### NEW SHIP DELIVERIES

In FY 1987, the Navy has requested $29.7 million to fund operating costs for 13 new construction ships. Recent changes in ship delivery schedules results in an overstatement of FY 1987 requirements. The Committee recommends that funding be reduced by $1,500,000.

### SERVICE CRAFT MAINTENANCE

The Navy requests an increase of $1,234,000 for service craft maintenance. According to Navy testimony, this program is a level of effort program and is not budgeted on a project or hull number basis. No valid justification was provided for the increase. The Committee recommends that funding be reduced by $1,234,000.

## SEASTRAT HARDWARE

The Navy requests an increase of $5,500,000 for the SEASTRAT planning and analysis system. Of this amount $2,100,000 was identified by the Navy as excess to their requirements in the O&M, Navy account. The Committee recommends funding be reduced by $2,100,000.

## EXERCISE AIRLIFT SUPPORT

An increase of $449,000 was requested for airlift requirements due to an increase of 6 exercises over FY 1986 levels. Considering that the number of exercises increased by 9 in FY 1986, another increase in FY 1987 is not essential. The Committee recommends funding be reduced by $449,000.

## CRUISE MISSILE ENGINEERING SUPPORT

In both FY 1985 and 1986, Cruise Missile funding requests were overstated. In FY 1986, 19 refurbishments were funded, but only 4 were performed and only 10 operational flight tests were performed when 23 were requested and funded. Based on prior year performance, the Committee recommends funding be reduced by $5,000,000.

## POSEIDON SUBMARINE DISMANTLING

In preparation for the submission of their FY 1987 budget request, the Navy was uncertain of the outcome on deliberations of the status of two Poseidon missile submarines, the Nathan Hale, SSBN 623, and the Nathaniel Green, SSBN 636. The Navy properly budgeted for the most expensive option, the overhaul and subsequent return to the fleet of these submarines at a cost of $256,000,000. The administration recently announced that these submarines would be dismantled in FY 1986, thus making the FY 1987 funds excess to requirements.

In addition, the Navy has budgeted $250,000,000 in FY 1987 for the overhaul of two additional Poseidon Submarines—the Alexander Hamilton, SSBN 617, and John Adams, SSBN 620. However, the Administration has yet to decide whether these ships will be overhauled or dismantled.

The Committee, therefore, recommends that the $250,000,000 for the overhaul of SSBN's 617 and 620 be deleted and a general provision, Sec. 9094 has been included which prohibits the overhaul of these submarines, unless a reprogramming is submitted to and approved by the Committees on Appropriations of the House and Senate.

## NAVY TACAIR FLYING HOURS

The Navy TACAIR flying hour request is developed based on the need for an average of approximately 1.5 crew per operational aircraft. For FY 1987 the Navy flying hours assumed certain delivery schedules for new aircraft and the availability of backup aircraft returning from depot maintenance. At the Committee's request, the GAO compared the Navy's budget estimates to current Navy documents concerning aircraft deliveries and depot maintenance schedules. The GAO determined, based on the latest information, that the Navy has overestimated the number of operational aircraft available for FY 1987 and therefore the number of crews required and the number of flying hours are overestimated. The Committee recommends that Navy TACAIR flying hours be reduced by $50,000,000 which results in a 3 percent or 29,000 hour reduction from the FY 1987 request, but still allows a 10,000 hour increase over FY 1986.

### Relocatable Over-the-Horizon Radar

As addressed elsewhere in this report, a reduction of $2,738,000 in O&M, Navy is recommended for ROTHR.

### Naval Space Surveillance System

As addressed elsewhere in this report, the Committee is recommending a reduction of $2,315,000 in Operation and Maintenance, Navy.

### Battleship Texas

The Committee directs the Department of the Navy to provide assistance to the State of Texas for the restoration of the Battleship Texas of no more than $5,080,500 from any existing funds provided in the bill. The Committee notes that the Navy was able to provide full funding to the U.S.S. Constitution and the U.S.S. Nautilus. The Battleship Texas is in need of immediate structural repairs to avoid complete deterioration of the ship. The Battleship Texas Advisory Board of the State of Texas in conjunction with the State's sesquecentennial celebration is presently seeking to raise $10,000,000 for the restoration of the battleship. Due to the recent economic downturn in the state and the impending fiscal crisis, both private and state donations are less than originally anticipated. Therefore, the Board seeks assistance from the Navy for approximately fifty percent of the necessary funds.

## OPERATION AND MAINTENANCE, MARINE CORPS

| | |
|---|---|
| Fiscal year 1986 appropriations | $1,612,050,000 |
| Fiscal year 1986 adjusted base | 1,533,060,000 |
| Fiscal year 1987 budget request | 1,864,100,000 |
| Committee recommendation | 1,793,338,000 |
| Change | −70,762,000 |

The Committee recommends an appropriation of $1,793,338,000 for Operation and Maintenance, Marine Corps. The recommendation is an increase of $181,288,000 above the $1,612,050,000 in total obligational authority for fiscal year 1986 and $260,278,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

The table also identifies how the Committee recommendations compare with specific items adjusted by the 1987 Defense Authorization Act. Differences between authorized and appropriated amounts and adjustments not addressed in the Authorization Act are discussed elsewhere in the report.

[In thousands of dollars]

| | HASC Authorization | Adjustment recommended in this bill |
|---|---|---|
| Stock fund fuel—refund | −12,600 | −12,600 |
| Inflation reestimate | | −24,000 |
| Travel | | −2,800 |
| Base operations | −2,000 | −2,000 |
| Public affairs | | −200 |
| Appropriated fund support of MWR | −2,000 | −6,111 |
| Recruiting and advertising | | −8,851 |
| New construction equipment | | −3,400 |
| MPS contractor maintenance | | −1,000 |
| MPS BMC | | −4,000 |
| MPS training exercises | | −4,000 |
| Military personnel support | −1,800 | −1,800 |
| Total | −18,400 | −70,762 |

## NEW CONSTRUCTION EQUIPMENT

In FY 1987, the Marine Corps requests $10,437,000 for collateral equipment for new construction projects. Approximately $3,400,000 of this amount is for projects whose beneficial occupancy date (BOD) is not until December 1987 (FY 1988) at the earliest. The Committee recommends that collateral equipment funding be reduced by $3,400,000 and directs the Marine Corps to order this equipment in October 1987.

## MPS CONTRACTOR MAINTENANCE

The Marine Corps estimates that FY 1987 requirements for Maritime Prepositioning Ships (MPS) contractor maintenance will cost $14,209,000 for 156 ship months. This appears overstated when compared to FY 1985 actual costs and FY 1986 projected costs. The Committee recommends that funding be reduced by $1,000,000.

## MPS BIENNIAL MAINTENANCE CYCLE (BMC)

During FY 1987 six of the thirteen MPS ships will be recertified as seaworthy, which entails the complete offloading of the ships. The funds requested by the Marine Corps were to recertify seven ships, one more than is currently projected. The Committee recommends that FY 1987 funding be reduced by $4,000,000.

## MPS TRAINING EXERCISES

The Marine Corps plans to have 14 training exercises involving Maritime Prepositioning Ships (MPS) concepts in FY 1987. This is not only an increase in the number of exercises, from 9 in FY 1986, but also the scope of the exercises as evidenced by the increase in funding from $193,000 to $370,000 for the 4 CPX exercises to be performed in both FY 1986 and FY 1987. While it is evident that increased funding for more exercises is required as a result of having all three MPS brigades operational for a full year in FY 1987, it is not quite so evident that the size of the exercises needs to be increased.

The Committee recommends reducing funds by $4,000,000, which will allow funding only for the increase in number of exercises in FY 1987, but would hold the scope of exercises to FY 1986 levels.

## OPERATION AND MAINTENANCE, AIR FORCE

| | |
|---|---|
| Fiscal year 1986 appropriations | $19,536,813,000 |
| Fiscal year 1986 adjusted base | 18,579,509,000 |
| Fiscal year 1987 budget request | 21,214,500,000 |
| Committee recommendation | 18,893,758,000 |
| Change | −2,320,742,000 |

The Committee recommends an appropriation of $18,893,758,000 for Operation and Maintenance, Air Force. The recommendation is a decrease of $643,055,000 below the $19,536,813,000 in total obligational authority for fiscal year 1986 and $314,249,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

The table also identifies how the Committee recommendations compare with specific items adjusted by the 1987 Defense Authorization Act. Differences between authorized and appropriated amounts and adjustments not addressed in the Authorization Act are discussed elsewhere in the report.

[In thousands of dollars]

| | HASC authorization | Adjustment recommended in this bill |
|---|---|---|
| Stock fund fuel—refund | −1,254,300 | −1,254,300 |
| Industrial fund—refund | −70,000 | −189,000 |
| Inflation reestimate | — | −280,000 |
| Average flying hours | — | −26,800 |
| ADP management | — | −18,900 |
| DEPMEDS | — | −4,000 |
| Foreign national employees compensation | — | −43,515 |
| 1984 stock fund accounting change | — | −15,000 |
| Appropriated fund support of MWR | −17,000 | −43,106 |
| Recruiting and advertising | — | −4,006 |
| Flight charges for DOD shuttle missions | −268,800 | — |
| Vandenburg shuttle launch site | −204,200 | −100,000 |
| Other shuttle support costs | −40,000 | −40,000 |
| Satellite early warning system | — | −5,500 |
| AMRAAM ICS | — | −1,212 |
| Procurement operations—manpower | — | −3,184 |
| OSA flying hours | — | −3,000 |
| T-33 maintenance | — | −5,000 |
| Titan missile | — | −2,000 |
| Historian program | — | −3,316 |
| SAC dorm upgrade | — | −2,058 |
| Compass call | — | −1,867 |
| Minuteman engineering | — | −2,097 |
| Strategic forces BOS | — | −10,000 |
| Surveillance radars | — | −30,000 |
| Space track support | — | −2,000 |
| TR-1 program | — | −10,000 |

[In thousands of dollars]

| | HASC authorization | Adjustment recommended in this bill |
|---|---|---|
| TAF management HQ | — | –10,000 |
| CSOC | — | –3,000 |
| REDCOM command post | — | –2,000 |
| Tactical C2 systems | — | –3,000 |
| Industrial preparedness | — | –1,200 |
| FTS charges (recruiting) | — | –3,300 |
| TAF base and command C3 | — | –2,898 |
| F–4/F–16 flying hours | — | –11,740 |
| KC–135 flying hours | — | –6,300 |
| B–52 flying hours | — | –6,400 |
| Recruit and specialized training | — | –50,085 |
| Flight training | — | –13,500 |
| Education and training-health care | — | –550 |
| Training support activities | — | –1,247 |
| Space training | — | –2,000 |
| Air Force Institute of Technology | — | –1,849 |
| Classified programs | –9,700 | –10,011 |
| 6594th test group | — | –7,000 |
| Air Force technical support | — | –3,000 |
| PLSS CLS | — | –4,301 |
| Military personnel support | –900 | –900 |
| Medical programs | –19,100 | –19,100 |
| Medical legislation | –3,900 | –3,900 |
| Modernization growth | –32,800 | –32,800 |
| Civilian pay | — | –20,800 |
| Total | –2,320,742 | –1,920,700 |

## AIR FORCE ADP

The Air Force budgeted $1,708,552,000 for the operation and maintenance of automatic data processing equipment and systems in fiscal year 1987. The Committee proposes a reduction of $18,900,000 as follows:

[In millions of dollars]

| | |
|---|---|
| ASAT operational mission center | –1.8 |
| 1st Information Systems Group | –.7 |
| MAC Integrated Management System | –16.4 |
| Total | –18.9 |

The ASAT mission control center will not be operational in fiscal year 1987, so funds are not needed. Air Force testimony on automation for the 1st Information Systems Group shows that less funds are now needed than were budgeted. Funds for the Military Airlift Command integrated management system are not approved since no oversight review of this major automated information system has been made or is scheduled.

## FLIGHT CHARGES FOR DOD SHUTTLE MISSIONS

The FY 1987 request of $671 million for DOD shuttle missions will provide for 8 new missions in FY 1988, in accordance with the DOD/NASA agreement. $531 million of this amount results from the formal Memorandum of Understanding (MOU) between the Air

Force and NASA, and the remaining $140 million was requested for optional service charges. The Air Force currently has credit for 10 Shuttle flights paid for from FY 1983 through 1986, but never flown. If the FY 1987 request is funded, then through FY 1988 DOD will have paid for a total of 18 unflown Shuttle missions. The most optimistic projections call for a total of 9 Shuttle missions, both civilian and DOD between July 1987 and September 1988. Even if all 9 flights are dedicated to Defense missions, NASA will still owe DOD more flights in FY 1988 than they can fly, without the FY 1987 funds.

The Committee is aware that denial of all DOD funds tied to the MOU could result in an unacceptable delay to shuttle recovery. The Committee further understands that the full $531 million is not required because of a reduction in NASA shuttle operations requirements as a result of the grounding of the shuttle. The Committee, therefore, recommends that $383,500,000 be provided to DOD for shuttle flight reimbursement to NASA. The following chart displays the Committee's recommendations, by accounts:

[In million of dollars]

| | Request | Appropriation | Change |
|---|---|---|---|
| Operation and Maintenance, Air Force | 268.8 | 268.8 | 0 |
| RDT&E, Air Force | 32.9 | 0 | −32.9 |
| Missile Procurement, Air Force | 297.9 | 43.3 | −254.6 |
| SDI | 71.4 | 71.4 | 0 |
| Total | 671.0 | 383.5 | −287.5 |

## VANDENBERG SHUTTLE LAUNCH SITE

The Vandenberg Launch Site (VLS) for the Space Shuttle is primarily required to provide polar orbits for certain shuttle payloads. The Kennedy Launch Site can provide a much quicker turnaround than VLS for standard shuttle launches and is the preferred NASA launch site.

The Committee believes that, in light of the Shuttle disaster, it is essential that back-up systems be available for launching payloads into space. To that end, we have endorsed the purchase of expendable launch vehicles (ELVs) to supplement the Shuttle. We also believe it is essential to have back-up launch sites. Not only does Vandenberg provide a back-up to the Kennedy launch site for Shuttle flights in general, it also provides a dual means of launching polar orbits, either through the Shuttle or ELVs. The Committee believes that the Vandenberg Shuttle is essential in the long term, but questions the need to keep it fully operational over the next several years. The only requirement before the mid-1990's for polar orbit shuttle launches from VLS are two classified Defense missions. From FY 1987 through 1992, DOD would expend approximately $2.1 billion at VLS for these 2 Shuttle launches. The Committee understands there are possible work- around/modifications that would allow for polar orbit flights other than through Shuttle launches from VLS. The estimated cost of $200 million for the workaround is still much cheaper than the $2.1 billion cost to keep Vandenberg fully operational.

The Committee has examined several options to downgrade the operations of VLS and it appears that the most cost-effective option would be to place it in an operational caretaker status. Under this concept, a total of 1,200 scientific, engineering and other technical personnel would be employed versus the current 2,500. These personnel would not only maintain the facility and equipment, but more importantly, they would incorporate changes and modifications and keep the facility up to date with Kennedy. Under this concept, the site could be brought up to full operational capability in 18 months and in half that time, if necessary, by utilizing shuttle operations personnel from the Kennedy Space Center. In FY 1987, VLS could not be placed in an operational caretaker status until May 1987 because of the need to finish completion of the site while the experienced workforce is present. However, upon completion of the site, VLS can be downgraded to an operational caretaker status at an annual savings of approximately $200 million. Full VLS funding must be restored by FY 1993 in order to make the site fully operational by FY 1995 to handle required SDI and Space Station missions. Savings of $100.6 million in FY 1987 and $200 million annually from FY 1988 to 1992 for a total savings of over $1.1 billion can be had by placing VLS in an operational caretaker status.

The Committee recommends that the Department downgrade the Vandenberg Shuttle Launch Site to an operational caretaker status upon completion of modifications and testing of the site, with a resulting reduction in VLS funding of $100,000,000 in FY 1987.

## OTHER SHUTTLE SUPPORT COSTS

The Air Force requests $133,200,000 in FY 1987 for shuttle support costs not related to orbital flight charges or the Vandenburg Launch Site. The absence of any shuttle flights in FY 1987 reduces funding requirements for these shuttle related programs. The Committee recommends a reduction of $40,000,000 in FY 1987 funds for shuttle support costs.

## SATELLITE EARLY WARNING SYSTEM

Funds in excess of requirements for the FY 1986 Satellite Early Warning System (SEWS) were not identified in time for submission of the FY 1987 President's Budget. Since FY 1986 is the baseline for FY 1987 estimates, FY 1987 is overstated by $5,500,000, and the Committee recommends that these funds be reduced from the request.

## AMRAAM ICS

The Air Force requests $1,212,000 for Interim Contractor Support (ICS) for AMRAAM missiles. These funds would be required for contractor repair of component parts for operational missiles. Since AMRAAM production doesn't begin until FY 1987 at the earliest, it is highly unlikely that operational missiles will be delivered in FY

1987 and therefore ICS is not required. The Committee recommends that AMRAAM ICS funding of $1,212,000 be deleted.

## PROCUREMENT OPERATIONS CIVILIAN MANPOWER

The Air Force requested an increase of $3,184,000 in FY 1987 to provide for a net increase in civilian workloads for procurement operations. This funding increase is contrary to their workload indicators, which identify a net decrease of 76 civilian workyears. The Committee recommends that funding be reduced by $3,184,000.

## OPERATIONAL SUPPORT AIRCRAFT

The Operational Support Aircraft (OSA) system is designed to provide 3 years of relatively inexpensive flying experience to new Military Airlift Command (MAC) pilots prior to their transfer to larger aircraft, such as the C–5 or C–141. Of the approximate 80,000 flying hours budgeted annually for C–12/C–21 OSA aircraft, an estimated 4,000 hours, with an associated cost of $3,000,000, are being flown by general officers and other rated officers in non-flying positions, not new pilots fresh out of training. There are no operational or training requirements associated with these 4,000 hours and no readiness degradation will occur if they are eliminated. The Committee believes there is no compelling reason for this funding and directs the Air Force to cease providing C–12/C–21 flying time to general officers and other rated officers in non-flying positions. This action will reduce OSA flying hours by 4,000 and $3,000,000.

## T–33 REPLACEMENT

The Air Force proposes to replace its inventory of T–33 aircraft, beginning in fiscal year 1987, through a contracted service. While the Air Force has ignored the instructions of the Conference Committee on the fiscal year 1986 Appropriations Act concerning replacement of T–33 aircraft, its approach may have merit. While budgeting $10,281,000 in fiscal year 1987 to pay for the contract service for the active force, however, the Air Force neglected to budget any funds for the Air National Guard which owns a significant portion of the T–33 fleet. This is an inappropriate response to the Congressional concern for the Air National Guard requirement as expressed in the fiscal year 1986 House Armed Services, Authorization Conference, House Appropriations, Senate Appropriations, and Appropriations Conference reports. The Committee recommends transferring $5,000,000 of the amount budgeted for the active force contract to the Air National Guard Operation and Maintenance appropriation, so that the Guard may participate in this program in fiscal year 1987. The General Accounting Office is reviewing the Air Force's proposed contract service approach and is expected to report to the Committee by October 1, 1986. The Air Force may not obligate any funds for this program until notified in writing by the Committee, as was stated in the Appropriations Subcommittee on Defense letter to the Secretary of the Air Force on this subject dated May 7, 1986. By these actions, it should be obvious that this program is a specific Congressional interest item, and should be so designated for reprogramming purposes on DD Form 1414, Base for Reprogramming Actions.

### HISTORIANS

The Air Force employs 209 full-time civilian historians, 250 additional duty historians and 150 full-time enlisted historian technicians. The total Air Force historian budget is approximately $16.7 million. The Army employs 118 full-time historians, with $8.3 million in funding; the Navy employs 22 historians, with a $1 million budget; the Marine Corps has 11 historians and a $.6 million funding level; and JCS and OSD have a total of 8 historians and a $.9 million budget.

The Air Force and Army historian programs are similar, except the Army accomplishes its efforts with 500 fewer people and $8.4 million less funding. Therefore, the Committee has made a $3,316,000 reduction to the Air Force's fiscal year 1987 operation and maintenance request and directs the Air Force to reduce the number of full-time historians from 209 to 98. This will provide approximately 500 Air Force historians including technicians and additional duty historians, which is still more than any other Service.

Additionally, the Air Force spends only .3 percent of its budget on contracting with others to write its history. The Army spends 34 percent of its budget on contracts; the Navy, 5.2 percent; and in fiscal year 1985, OSD spent 79 percent of its budget on contracts. Therefore, the Committee directs the Air Force increase its use of contracting with others to write its history to 3.5 percent of their budget by the end of fiscal year 1989.

The Department should keep the Committee advised on the progress of the Air Force in carrying out these directives.

### TITAN MISSILE

The Air Force plans to totally phase out the Titan missile force by the end of FY 1987, and yet funding for this program has been reduced by only 17 percent. While there are deactivation costs associated with this phase out, they should be more than offset by reduced operation and support costs, especially for supplies which are reduced by only 18 percent from $5,358,000 to $4,381,000 in FY 1987. The Committee recommends that Titan funding be reduced by $2,000,000.

### SAC DORMITORY UPGRADE

In the FY 1986 budget request, growth of $5,824,000 was identified for dormitory upgrade support associated with FY 1985 MCP. In addition, a reduction of $12,297,000 in dorm support associated with the FY 1984 MCP was identified. In FY 1987, additional growth of $2,058,000 is requested, but no offsetting decrease for the one time FY 1986 requirements was identified. The Air Force, in response to Committee questioning, stated that the aforementioned $2,058,000 is a net increase of FY 1987 increases and FY 1986 decreases for this program. The Committee recommends that dorm furniture funding be held to FY 1986 levels, with a funding reduction of $2,058,000.

## COMPASS CALL

The Air Force has programmed in FY 1987 for an increase of 3 COMPASS CALL deployments overseas (from 1 to 4) in addition to the single FY 1986 deployment. Follow-on information provided by the Air Force states that a total of only 3 deployments are required in FY 1987. The Committee recommends that the $1,867,000 associated with one of the 3 additional COMPASS CALL deployments be deleted.

## MINUTEMAN SUSTAINING ENGINEERING

The Air Force requested growth of over $16 million in FY 1986 for the Minuteman missile program, primarily for sustainment engineering. Total FY 1986 requested funds of $157 million have been reduced to $144 million in the current estimate, due to an internal funding realignment. In FY 1987 the Air Force again requests growth for sustainment engineering of $2,097,000, with no new justification other than analysis and assessment of Minuteman reliability, which is not a new requirement. Based on FY 1986 experience, which infers that this program is of a lower priority, the Committee recommends that Minuteman service engineering be held to FY 1986 levels plus inflation, which reduces FY 1987 funding by $2,097,000.

## STRATEGIC FORCES—BOS TAIL

Over $21,000,000 is requested to support expanding SAC missions, such as B-1 aircraft, Peacekeeper missiles and strategic war planning. This increase in base operations support should be offset by reduced operating costs associated with B-52 and Titan II deactivation. The Committee recommends that SAC BOS funding be reduced by $10,000,000.

## SURVEILLANCE AND WARNING RADARS

The Air Force requests 27 percent real growth, $83.6 million, for surveillance and warning radar programs, resulting primarily from activation of new radar systems, such as OTH-B, Phased Array, RADIL and PAVE PAWS sites. These systems are a very important part of our early warning ballistic missile defense however it appears that the costs to activate these new systems and deactivate older systems has been overestimated. In FY 1986, for example, cost estimates went from appropriated amounts of $292,858,000 down to actual obligations of 258,737,000, a $34,000,000 decrease. Based on past performance, the Committee recommends that funding be reduced by $30,000,000.

## SPACE TRACK SUPPORT

The Air Force requests an increase of $4,810,000 for first year operation of the new GEODSS site at Diego Garcia and costs at other GEODSS sites. In FY 1985, $66,732,000 was appropriated for space track support, but only $62,562,000 was spent. Based on this past experience, it appears the FY 1987 request is overestimated and the Committee recommends that funding be reduced by $2,000,000.

### TR-1 PROGRAM

The Air Force has consistently overestimated the cost to operate and maintain TR-1 aircraft and associated programs. For the past three fiscal years they have spent an average of $15,000,000 less than estimated for this program in their budget request. Based on past performance, the Committee recommends that TR-1 support funding be reduced by $10,000,000.

### TAF MANAGEMENT HEADQUARTERS

The Air Force consistently underfunds the management headquarters accounts for their tactical forces. In both FY 1984 and 1985, an average of over $15,000,000 was shifted into these accounts subsequent to appropriation. It appears as though the Air Force is deliberately overestimating in other acconts in order to avoid requesting funds for headquarters functions and then shifting funds at a later date. The Committee recommends that TAF management headquarters funds be reduced by $10,000,000 in anticipation of the shifting of surplus amounts from other areas.

### CSOC

The Air Force has overestimated funding requirements in both FY 1984 and 1985 for the Consolidated Space Operations Center (CSOC) by an average of 24 percent from appropriated amounts to actual obligations. A total of almost $6 million has migrated from these programs to other programs in those fiscal years. While a portion of these excesses can be attributed to schedule delays, the remainder appears to be overestimates. The Committee recommends that Space Support funding be reduced by $3,000,000.

### REDCOM COMMAND POST UPGRADE

Funding for REDCOM Communications has almost tripled since FY 1985. In addition, funding of $8,261,000 was provided in FY 1985 but only $6,287,000 was obligated. The Committee recommends that requested funding be reduced by $2,000,000 to match prior year overestimates.

### TACTICAL COMMAND AND CONTROL SYSTEMS

Since FY 1985 Tactical Command and Control Systems have grown from about $2,000,000 to the current request of $13,612,000. While this is an important area, there is some concern that the Air Force is ramping up too quickly and will be unable to spend this amount in FY 1987. In FY 1985 they were only able to spend half of the $4,000,000 appropriated. The Committee recommends that funding be reduced by $3,000,000.

### INDUSTRIAL PREPAREDNESS

An increase of $1,610,000 is requested in FY 1987 to fund an additional 8 civilian workyears for industrial preparedness. These workyears are more correctly priced at $400,000. This results in a $1,200,000 overestimate which the Committee recommends be deleted.

## FTS CHARGES FOR RECRUITING

The Air Force requests an increase of $3,300,000 in their Recruiting and Advertising request as a result of a transfer from Program 3 Leased Communications. Program 3 does not identify the appropriate decrease to reflect this transfer and is therefore overpriced by $3,300,000. The Committee recommends that $3,300,000 be reduced from the Leased Communications request.

## TAF BASE AND COMMAND $C^3$

No valid justification was provided for this funding increase of $2,898,000 over FY 1986 levels for command, control and communications services. The Committee recommends that the requested increase of $2,898,000 be deleted.

## F-4/F-16 FLYING HOURS

The Air Force has programmed for the gradual phase out of F-4 aircraft as F-16 aircraft are delivered to operational units. The increased F-16 flying hours and decreased F-4 hours are programmatic estimates based on the scheduled delivery dates of the F-16 aircraft. Any delays in F-16 deliveries should result in fewer F-16 flying hours, but also should be offset by higher F-4 hours since those aircraft would not phase out. However, this has not been the case. The Air Force has consistently overestimated not only its F-16 flying hours, but also F-4 flying hours as evidenced by the following charts:

| | F-16 hours | | | F-4 hours | | |
|---|---|---|---|---|---|---|
| | Initial request | Curr. est/ actual | Percent of req. flown | Initial request | Curr. est/ actual | Percent of req. flown |
| FY 1984 | 140,499 | 80,664 | 57 | 113,112 | 98,760 | 87 |
| FY 1985 | 153,094 | 144,574 | 94 | 101,924 | 93,577 | 92 |
| FY 1986 | 174,367 | 165,662 | 95 | 80,664 | 77,568 | 96 |

Based on historical performance, the best the Air Force could hope to fly is 96 percent of their total F-4/F-16 hours. The Committee recommends that only 96% of F-4/F-16 flying hours be funded, with a resulting reduction of $11,740,000.

## KC-135 FLYING HOURS

The Air Force requests growth of 8,375 KC-135 flying hours in FY 1987 in order to add back the hours reduced by the Congress in FY 1986 because of problems with how the Strategic Air Command (SAC) determined KC-135 requirements. When queried on the impact of the FY 1986 cut, the Air Force failed to document specific examples of negative impacts. The Committee believes the Air Force could take some specific actions to reduce KC-135 requirements and lower flying hours with no readiness impacts, such as:

A. Reduce B-52 air refuelings by limiting B-52 pilots to only their required 24 air refuelings per year and by allowing more than one pilot to practice air refueling per sortie. Air refueling is one of five core events prescribed by SAC to meet its crew readiness criteria and SAC training officials plan for a refueling during each B-52 sorties, which results in exceeding the SAC training requirement for 24 air refuelings a year. In addition, SAC's usual practice is to have only one pilot practice refueling on an individual sortie, which runs contrary to the Military Airlift Command's usual practice of allowing three or more pilots to practice refueling on a single sortie.

B. Reduce overhead hours by decreasing the number of pilots sent to Castle AFB for formal pilot upgrade training and allowing more upgrade training at unit level utilizing unit aircraft/flying hours.

C. Reduce requalification training flying hours and costs by decreasing the number of SAC pilots provided to the Air Training Command (ATC) as instructor pilots. ATC can expand upon its separate career field for instructor pilots and reduce its reliance on these highly trained (and expensive) SAC pilots.

The Committee recommends that KC-135 flying hours be reduced by 5,000 with a savings of $6,300,000.

### B-52 FLYING HOURS

The Air Force has not modified B-52 flying hour requirements in spite of the fact that crews are now being trained on very sophisticated, realistic simulators. In fact, average flying hours increase in FY 1987 from 35.8 hours per aircraft per month to 36.4. These new B-52 simulators can provide training to all six B-52 crew members at the same time and provide an excellent complement to flying hours and should be used to offset any additional flying time. The Military Airlift Command recently reduced its C-141/C-5 flying hours as a result of increased usage of simulators. The Committee believes there is no reason that B-52 crews cannot substitute some simulator time for flying hours. The Committee recommends that B-52 flying hours be reduced by 4,700, which will lower average flying hours per aircraft per month by 1 hour and reduce funding by $6,400,000.

### PLSS

The Air Force requests an increase of $4,301,000 for introduction of the operational Precision Location Strike System (PLSS). The PLSS production program has been cancelled and these funds are no longer required for this purpose. The Air Force was considering deployment of the prototype system; however, it is premature to be funding for this operation until a final decision has been made and firm dates and costs have been determined. The Committee recommends that PLSS funding be reduced by $4,301,000.

### 6594TH TEST GROUP

Subsequent to submission of the fiscal year 1987 budget request, the Air Force announced the disestablishment of the 6594th Test Group. The Committee is therefore making a reduction of $7,000,000 in O&M, Air Force to reflect this revised force structure.

### AIR FORCE TECHNICAL SUPPORT

The budget included a request of $18,200,000 for accelerating a program to repair and provide maintenance to a wide variety of Air Force communications security equipment. The Committee recommends a decrease of $3,000,000 from the budget request. This provides a total of $15,200,000 for the program, a significant increase of $11,500,000 above the fiscal year 1986 level of $3,700,000.

## OPERATION AND MAINTENANCE, DEFENSE AGENCIES

| | |
|---|---|
| Fiscal year 1986 appropriations | $7,432,569,000 |
| Fiscal year 1986 adjusted base | 7,068,373,000 |
| Fiscal year 1987 budget request | [1] 6,833,197,000 |
| Committee recommendation | [1] 6,300,040,000 |
| Change | −533,157,000 |

[1] Costs of CHAMPUS have been included under the military health care account.

The Committee recommends an appropriation of $6,300,040,000 for Operation and Maintenance, Defense Agencies. After adjusting for the transfer of CHAMPUS to a separate appropriation account, the recommendation is an increase of $291,560,000 above the $6,008,480,000 in total obligational authority for fiscal year 1986 and $585,976,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

The table also identifies how the Committee recommendations compare with specific items adjusted by the 1987 Defense Authorization Act. Differences between authorized and appropriated amounts and adjustments not addressed in the Authorization Act are discussed elsewhere in the report.

[In thousands of dollars]

| | Authorization | Adjustment recommended in this bill |
|---|---|---|
| Stock fund fuel refund | — | −1,523 |
| Industrial fund refund | — | −20,000 |
| Inflation reestimate | — | −86,000 |
| Travel | — | −10,400 |
| Foreign national employees compensation | — | −5,000 |
| USUHS | — | −3,176 |
| Defense medical support activity | −1,500 | −1,500 |
| Classified program | −102,600 | −112,948 |
| Defense Mapping Agency general reduction | −4,000 | −8,380 |
| Defense Nuclear Agency general reduction | — | −10,592 |
| Defense Communications Agency | — | −37,315 |
| American Forces Information Service general reduction | −1,000 | −6,918 |
| Department of Defense dependents education | — | −65,995 |
| Office of the Secretary of Defense general reduction | −1,000 | −8,125 |
| Defense Information Services activity general reduction | — | −513 |
| Defense Technology Security Administration general reduction | — | −1,570 |
| Washington Headquarters Service general reduction | −2,000 | −15,728 |
| Office of Economic Adjustment general reduction | — | −3,470 |
| Defense Legal Services Agency general reduction | — | −500 |
| Joint Chiefs of Staff general reduction | — | −26,937 |
| Defense Contract Audit Agency | — | −28,220 |

[In thousands of dollars]

| | Authorization | Adjustment recommended in this bill |
|---|---|---|
| DLA training | — | −5,000 |
| DLA storage aids | — | −10,000 |
| DLA general reduction | −10,000 | −13,000 |
| Joint recruiting and advertising program | — | −13,065 |
| Civilian pay | — | −31,150 |
| Morale, welfare and recreation: | | |
| Appropriation support | −2,000 | −2,000 |
| Minor construction | −2,000 | −2,000 |
| Food and hospitality svcs rpt | +1,000 | — |
| Special Ops unified command and control | +20,000 | — |
| Total | −105,100 | −533,157 |

## DEFENSE COMMUNICATIONS AGENCY

The Administration's fiscal year 1987 request for the Defense Communications Agency is $311,193,000. This is an increase of $57,374,000, or 22 percent, above the amount available to the Agency after the application of the Gramm-Rudman-Hollings reduction. The Committee's recommendation of $273,878,000 includes the entire budget requests for the National Communications Systems and the White House Communications Agency and provides for other activities at the 1986 level adjusted for budgeted price growth.

## DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS

The Administration's request for the Department of Defense Dependents Schools totals $812,048,000, an increase of 15 percent above the original 1986 appropriation and an increase of 20 percent above the amount available after the application of the Gramm-Rudman-Hollings reduction. The 1987 request compared with the 1985 program represents growth of nearly 30 percent.

The Committee strongly supports the education programs for Department of Defense dependents worldwide. The Committee's recommended funding level, $746,053,000, although a reduction below the budget request, will allow for a strong and vibrant dependents educational system. The Committee's recommendation is based on the following considerations:

—Several recent Inspector General and audit reports have concluded that DODDS has too many personnel at the above school level. After submission of the 1987 budget, DODDS agreed to an IG finding to reduce above school level personnel by 79 positions.

—One of the major increases requested in 1987 is $17,319,000 for an estimated enrollment increase of 6,000 students. Historically, funding for enrollment increases has been handled during the year through reprogrammings. Because permanent change of station moves may be significantly reduced in 1987, this estimate may be overstated. Actual enrollment increases may be accommodated through reprogrammings as in the past.

—An increase of $71,177,000, or 10 percent above the amount available in 1986, was deemed the most appropriate in light of the stringent budget climate. The recommendation will provide for the entire budgeted price growth of $39,527,000, including $25,301,000 for teacher salary raises.

### TEACHER AIDES

The Committee reaffirms its support for the employment of teacher aides for the Department of Defense Dependent Schools in Europe to assist teachers and provide relief from certain student supervisory responsibilities, as detailed in the fiscal year 1986 Committee report. The Committee again directs that such aides not be included in any staffing ceilings and that the Department proceed with this initiative within the funds provided.

### ADVANCED FUNDING

The Committee is aware that there is nearly always an interval between the start of the school year and the time the appropriation bill or continuing resolution is signed into law. If the appropriation is enacted by mid-October, as was the case in fiscal year 1985, the interval is only a few weeks. However, in fiscal year 1986 the continuing resolution containing the Defense Appropriations Act was not enacted into law until December 19, or nearly four months after the start of the school year. This causes uncertainty concerning ultimate funding levels and makes school administration extremely difficult. In certain instances, this uncertainty may have resulted in delaying the start of the school year and in personnel furloughs.

The Committee notes that several programs in the Department of Education had experienced similar problems. To rectify the situation, funding has been provided in advance of the start of the school year. For example, the applicable fiscal year 1986 appropriation bill for handicapped education provided funds to be made available on July 1, 1986 and remain available until September 30, 1987. In this way, administrators know well in advance the level of funding which will be available to them and can plan accordingly.

The Committee believes that similar advanced funding could alleviate the problems experienced in the DOD dependents education program due to the interval between the start of the school year and the receipt of funding. Therefore, the Committee directs the Department to study the issue of advance funding thoroughly and urges the Department to make provision for advance funding for the dependents education program in future budget requests.

### DEFENSE CONTRACT AUDIT AGENCY

The work force of the Defense Contract Audit Agency has grown dramatically in recent years. The Committee has supported that growth and commends the Agency for the excellent work it has done in reducing waste, fraud, and abuse. The nature of the growth is demonstrated in Agency work years which have increased from 3,824 in fiscal year 1984 to 4,743 in fiscal year 1986 to 6,398 requested for fiscal year 1987. The 1987 request equates to a 35 percent increase above 1986 work years. Even the most well managed organizations have tremendous difficulties accommodating growth of this magnitude.

The Committee's recommendation of $206,870,000 for the DCAA is a decrease of $28,220,000 below the request. The Committee has denied all funding for 400 of the additional new positions and has assumed a 50 percent lapse rate for the other 1,207 new positions requested. The Agency's request had fully funded 1,400 of the new positions, which the Committee determined to be unrealistic.

## DOD INSPECTOR GENERAL

The budget request for the Inspector General included funding for an end strength increase of 382 people. The request assumed a lapse rate for the new positions of approximately one-third. The Committee has reduced the funds requested by $2,132,000 based on a lapse rate assumption of 50 percent.

## DEFENSE LOGISTICS AGENCY

The House authorization committee recommended a general reduction of $10,000,000 for the Defense Logistics Agency. The Committee has recommended a general reduction of $13,000,000 and suggests that contracted equipment maintenance and other contracts could probably absorb the reduction without difficulty.

In addition, the Committee recommends a reduction of $5,000,000 from the training increase of $14.8 million requested. This will allow a 1987 training program of $64.3 million, representing a 26 percent increase above 1986. Finally, the Committee has denied $10,000,000 requested for warehouse storage aids, viewing this new initiative as a lower priority in the existing climate of fiscal restraint.

## DEFENSE AGENCIES GENERAL REDUCTIONS

For several of the Defense Agencies the Committee has recommended general reductions not tied to any specific activity. The Committee has taken these actions to allow individual program managers to apply the reductions from the activities they deem to be the lowest priorities. The reductions are recommended within the framework of fiscal restraint under which the Congress is proceeding. In every instance, the general reductions provide at least for the 1986 level of operations plus price growth. Following is a list of such general reductions:

[In thousands of dollars]

| | |
|---|---|
| Defense Mapping Agency | −8,380 |
| Defense Nuclear Agency | −10,592 |
| American Forces Information Service | −6,918 |
| Office of the Secretary of Defense | −8,125 |
| Defense Information Services Activity | −513 |
| Defense Technology Security Administration | −1,570 |
| Washington Headquarters Service | −15,728 |
| Office of Economic Adjustment | −3,470 |
| Defense Legal Services Agency | −500 |
| Office of the Joint Chiefs of Staff | −26,937 |

## Defense Mapping Agency

While the Committee has not renewed bill language restricting the contracting authority of the Defense Mapping Agency, the Committee believes that the Agency must evaluate contractors for professional mapping, charting and geodetic services on the basis of demonstrated competence and qualifications. In following this direction the Agency should negotiate with the most qualified firm to determine the scope of work and a fee that is fair and reasonable to the government. This clarifies these professional mapping, charting and geodetic services as being among the architecture, engineering and related services which are procured under the process outlined in 10 U.S.C. 2855, for military agencies, and 40 U.S.C. 541 et seq., for civilian agencies. The performance of surveying and mapping services should not be limited to registered or licensed architect and engineering firms, but should also include surveying and mapping professionals such as licensed surveyors, geodesists, and cartographers. Current law provides for fairness and equity in the distribution of contracts so interested firms, including small businesses, should have ample opportunity to compete.

## OPERATION AND MAINTENANCE, ARMY RESERVE

| | |
|---|---|
| Fiscal year 1986 | $780,100,000 |
| Fiscal year 1986 adjusted base | 741,875,000 |
| Fiscal year 1987 budget request | 793,100,000 |
| Committee recommendation | 769,298,000 |
| Change | −23,802,000 |

The Committee recommends an appropriation of $769,298,000 for Operation and Maintenance, Army Reserve. The recommendation is a decrease of $10,802,000 below the $780,100,000 in total obligational authority for fiscal year 1986 and an increase of $27,423,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

The table also identifies how the Committee recommendations compare with specific items adjusted by the 1987 Defense Authorization Act. Differences between authorized and appropriated amounts and adjustments not addressed in the Authorization Act are discussed elsewhere in the report.

[In thousands of dollars]

| | Authorization | Adjustment recommended in this bill |
|---|---|---|
| Stock fund fuel refund | −7,500 | −7,500 |
| Inflation reestimate | | −8,000 |
| Travel | | −4,700 |
| Average flying hours | | −1,200 |
| Training related to AGR full-time manning increase | | −1,436 |
| Recruiting and advertising | | −8,508 |
| AGR force professional training | | −650 |
| Continental Army Management Information System (CAMIS) | | +10,000 |

[In thousands of dollars]

| | Authorization | Adjustment recommended in this bill |
|---|---|---|
| Realignment of IRR mobilization test | +6,000 | |
| Military personnel support | −1,800 | −1,800 |
| National Board for the Promotion of Rifle Practice (transfer) | | −8 |
| Total | −3,300 | −23,802 |

## OPERATION AND MAINTENANCE, NAVY RESERVE

| | |
|---|---|
| Fiscal year 1986 appropriations | $894,950,000 |
| Fiscal year 1986 adjusted base | 851,097,000 |
| Fiscal year 1987 budget request | 975,900,000 |
| Committee recommendation | 869,847,000 |
| Change | −106,053,000 |

The Committee recommends an appropriation of $869,847,000 for Operation and Maintenance, Navy Reserve. The recommendation is a decrease of $25,103,000 below the $894,950,000 in total obligational authority for fiscal year 1986 and an increase of $18,750,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

The table also identifies how the Committee recommendations compare with specific items adjusted by the 1987 Defense Authorization Act. Differences between authorized and appropriated amounts and adjustments not addressed in the Authorization Act are discussed elsewhere in the report.

[In thousands of dollars]

| | Authorization | Adjustment recommended in this bill |
|---|---|---|
| Stock fund fuel refund | −63,900 | −63,900 |
| Inflation reestimate | | −12,000 |
| Travel | | −600 |
| Average flying hours | | −2,100 |
| Base operations—other support | | −2,272 |
| Reserve management headquarters—other support | | −456 |
| Average steaming hours | | −11,900 |
| Military personnel support | −5,000 | −5,000 |
| Recruiting and advertising | | −7,825 |
| Realignment of IRR mobilization test | +500 | |
| Total | −68,400 | −106,053 |

## OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

| | |
|---|---|
| Fiscal year 1986 appropriations | $57,200,000 |
| Fiscal year 1986 adjusted base | 54,399,000 |
| Fiscal year 1987 budget request | 65,300,000 |
| Committee recommendation | 63,218,000 |
| Change | −2,082,000 |

The Committee recommends an appropriation of $63,218,000 for Operation and Maintenance, Marine Corps Reserve. The recommendation is an increase of $6,018,000 above the $57,200,000 in total obligational authority for fiscal year 1986 and $8,819,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

The table also identifies how the Committee recommendations compare with specific items adjusted by the 1987 Defense Authorization Act. Differences between authorized and appropriated amounts and adjustments not addressed in the Authorization Act are discussed elsewhere in the report.

[In thousands of dollars]

| | Authorization | Adjustment recommended in this bill |
|---|---|---|
| Stock fund fuel refund | −700 | −700 |
| Military personnel support | −300 | −300 |
| Miscellaneous program increases | | −1,082 |
| Realignment of IRR mobilization test | −500 | |
| Total | −500 | −2,082 |

## OPERATION AND MAINTENANCE, AIR FORCE RESERVE

| | |
|---|---|
| Fiscal year 1986 appropriations | $902,700,000 |
| Fiscal year 1986 adjusted base | 858,495,000 |
| Fiscal year 1987 budget request | 975,600,000 |
| Committee recommendation | 922,100,000 |
| Change | −53,500,000 |

The Committee recommends an appropriation of $922,100,000 for Operation and Maintenance, Air Force Reserve. The recommendation is an increase of $19,400,000 above the $902,700,000 in total obligational authority for fiscal year 1986 and $63,605,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

The table also identifies how the Committee recommendations compare with specific items adjusted by the 1987 Defense Authorization Act. Differences between authorized and appropriated amounts and adjustments not addressed in the Authorization Act are discussed elsewhere in the report.

[In thousands of dollars]

| | Authorization | Adjustment recommended in this bill |
|---|---|---|
| Stock fund fuel refund | −60,500 | −60,500 |
| Inflation reestimate | | −4,000 |
| Realignment of IRR mobilization test | +1,000 | |

[In thousands of dollars]

| | Authorization | Adjustment recommended in this bill |
|---|---|---|
| Installation of GFE drug interdiction radar modifications | +10,000 | +10,000 |
| Installation of drug interdiction tanker modifications | +1,000 | +1,000 |
| Total | −48,500 | −53,500 |

## OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

| | |
|---|---|
| Fiscal year 1986 appropriations | $1,652,800,000 |
| Fiscal year 1986 adjusted base | 1,573,137,000 |
| Fiscal year 1987 budget request | 1,786,900,000 |
| Committee recommendation | 1,734,696,000 |
| Change | −52,204,000 |

The Committee recommends an appropriation of $1,734,696,000 for Operation and Maintenance, Army National Guard. The recommendation is an increase of $81,896,000 above the $1,652,800,000 in total obligational authority for fiscal year 1986 and $161,559,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

The table also identifies how the Committee recommendations compare with specific items adjusted by the 1987 Defense Authorization Act. Differences between authorized and appropriated amounts and adjustments not addressed in the Authorization Act are discussed elsewhere in the report.

[In thousands of dollars]

| | Authorization | Adjustment recommended in this bill |
|---|---|---|
| Stock fund fuel refund | −27,800 | −27,800 |
| Inflation reestimate | | −16,000 |
| Travel | | −2,200 |
| Training support | | −1,879 |
| Standard Army Multicommand Management Information System (STAMMIS) | | −17,500 |
| Continental Army Management Information System (CAMIS) | | +10,000 |
| Military personnel support | −6,000 | −6,000 |
| Federal support for armories | +25,000 | |
| Drug interdiction support | +12,000 | +12,000 |
| Recruiting and advertising | | −2,825 |
| Total | +3,200 | −52,204 |

## OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

| | |
|---|---|
| Fiscal year 1986 appropriations | $1,806,200,000 |
| Fiscal year 1986 adjusted base | 1,717,698,000 |
| Fiscal year 1987 budget request | 1,932,700,000 |
| Committee recommendation | 1,790,384,000 |
| Change | −142,316,000 |

The Committee recommends an appropriation of $1,790,384,000 for Operation and Maintenance, Air National Guard. The recommendation is a decrease of $15,816,000 below the $1,806,200,000 in total obligational authority for fiscal year 1986 and an increase of $72,686,000 above the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The following table summarizes the specific adjustments to the fiscal year 1987 request discussed elsewhere in this report.

The table also identifies how the Committee recommendations compare with specific items adjusted by the 1987 Defense Authorization Act. Differences between authorized and appropriated amounts and adjustments not addressed in the Authorization Act are discussed elsewhere in the report.

[In thousands of dollars]

| | Authorization | Adjustment recommended in this bill |
|---|---|---|
| Stock fund fuel refund | −160,900 | −160,900 |
| Inflation reestimate | | −10,000 |
| Military personnel support | −1,300 | −1,300 |
| Drug interdiction support | +9,000 | +9,000 |
| Installation of GFE drug interdiction radar modifications | +3,600 | +3,600 |
| T-33 maintenance | | +5,000 |
| Civilian technician end strength | | +12,284 |
| Total | −149,600 | −142,316 |

## NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

| | |
|---|---|
| Fiscal year 1986 appropriations | $920,000 |
| Fiscal year 1986 adjusted base | 875,000 |
| Fiscal year 1987 budget request | 930,000 |
| Committee recommendation | 4,316,000 |
| Change | +3,386,000 |

The Committee recommends an appropriation of $4,316,000 for the National Board for the Promotion of Rifle Practice. Although this is an increase of $3,386,000 above the budget request in this account, there are corresponding decreases in other accounts as follows so there is no net change to the Department's request.

| | |
|---|---|
| Operation and Maintenance, Army | −$1,887,000 |
| Procurement of Ammunition, Army | −1,350,000 |
| National Guard Personnel, Army | −81,000 |
| Reserve Personnel, Army | −60,000 |
| Operation and Maintenance, Army Reserve | −8,000 |
| Total | −$3,386,000 |

The Committee's recommendation is consistent with a recent opinion issued by the General Counsel of the Department of the Army. The General Counsel determined that support for the Civilian Marksmanship Program from other accounts is improper and that all expenses directly attributable to the CMP should be charged to the National Board appropriation account. Prior to the ruling, the Army had been augmenting the National Board for the

Promotion of Rifle Practice appropriation with approximately $3,000,000 annually. Types of support provided in other accounts include pay and allowances for civilian and military reserve personnel, travel and transportation, and ammunition.

## MILITARY HEALTH CARE

| | |
|---|---|
| Fiscal year 1986 appropriations | [1] ($1,424,089,000) |
| Fiscal year 1986 adjusted base | [1] (1,354,289,000) |
| Fiscal year 1987 budget request | 1,740,503,000 |
| Committee recommendation | 1,679,409,000 |
| Change | −61,094,000 |

[1] Fiscal year 1986 funding was provided under the CHAMPUS appropriation, Operation and Maintenance, Defense Agencies.

The Committee recommends an appropriation of $1,679,409,000 for the Military Health Care account. The Committee's recommendation reflects adjustments made in the funding level of the Dependent Dental Care program, as discussed earlier in the report. The Committee also did not make the authorized $171,000,000 reduction for the Medicare CHAMPUS link. Contingent upon authorization the funding remains available for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS).

In fiscal year 1987, the Department of Defense requested $1,740,503,000 for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), which was budgeted in the Operation and Maintenance, Defense Agencies account. The House Armed Services Committee has proposed making those funds appropriated to the Operation and Maintenance, Defense Agencies account for CHAMPUS, available instead in the Military Health Care account.

As envisioned by the House Armed Services Committee, the Military Health Care account would be a transfer account administered by the Secretary of Defense. Based on Service estimates on projected CHAMPUS expenses, the Secretary of Defense would transfer from the Military Health Care account, those funds necessary to meet the Services' CHAMPUS obligations.

While the Committee supports the concept of changing the way CHAMPUS obligations are met, the proposals expressed by the authorizing committee require extensive administrative and budget reorganization. The Committee does not believe the Department can effectively implement the House Armed Services Committee proposal for a transfer account in fiscal year 1987, and recommends as an alternative, the Department submit appropriate legislation in the fiscal year 1988 budget request to accommodate this proposal.

Therefore, the Committee directs that funds in the Military Health Care account be available to directly meet obligations incurred by CHAMPUS. If the appropriate amount is insufficient, the Committee would consider reprogramming from the Services' accounts to the Military Health Care account, those amounts necessary to fund CHAMPUS obligations.

## CLAIMS, DEFENSE

| | |
|---|---|
| Fiscal year 1986 appropriations | $143,300,000 |
| Fiscal year 1986 adjusted base | 143,300,000 |

| | |
|---|---|
| Fiscal year 1987 budget request | 155,600,000 |
| Committee recommendation | 144,400,000 |
| Change | −11,200,000 |

The Committee recommends an appropriation of $144,400,000 for Claims, Defense. The recommendation is an increase of $1,100,000 above the $143,300,000 in total obligational authority for fiscal year 1986. This account was specifically exempted from the sequestration required by the Deficit Reduction Act of 1985.

The reduction of $11,200,000 from the budget request is composed of an inflation reestimate of −$1,200,000 and a general reduction of $10,000,000. The Committee believes the general reduction is appropriate based on recent activity in the Claims, Defense account. In fiscal year 1985, of the $157,900,000 appropriation, $11,400,000 was transferred to other accounts and $13,107,000 was unused and reverted to the U.S. Treasury. In 1984, of the $160,400,000 appropriation, $23,500,000 was transferred to other accounts and $11,927,000 lapsed.

### PAYMENT OF PROPERTY CLAIMS ARISING FROM DETONATION OF ARMY BOMBS

In Public Law 99-349, the Supplemental Appropriations Act for fiscal year 1986, the Congress provided for the Department of Defense to pay legitimate property claims arising from the explosion of Army-loaded MK 84 bombs on August 4, 1985, near Checotah, Oklahoma. This was necessitated because innocent victims of the accident were left with repair and replacement bills that might not be paid until after conclusion of lengthy litigation to determine the party or parties liable for the damage.

Since that legislation was enacted, it has come to the Committee's attention that the provision has not been implemented for fear that paying such claims might be construed as an admission of liability for the accident. Consequently, the Committee has included language in the bill clarifying that in paying such claims, neither the U.S. Army, the Department of Defense, nor the Federal government is admitting liability for any of the damages. Rather, the Army and the Department of Defense should implement legislative directives of the Congress to reimburse legitimate property expenses of innocent victims of this particular accident until such time as the liable party or parties are determined. The Committee directs the U.S. Army Claims Service to begin processing and paying legitimate property claims for this accident from the authority made available by P.L. 99-349, as amended in this bill.

## COURT OF MILITARY APPEALS, DEFENSE

| | |
|---|---|
| Fiscal year 1986 appropriations | $3,200,000 |
| Fiscal year 1986 adjusted base | 3,043,000 |
| Fiscal year 1987 budget request | 3,400,000 |
| Committee recommendation | 3,200,000 |
| Change | −200,000 |

The Committee recommends an appropriation of $3,200,000 for the Court of Military Appeals, Defense. The recommendation is identical to the total obligational authority for fiscal year 1986 and $157,000 above the available obligational authority in fiscal year

1986 after the sequestration required by the Deficit Reduction Act of 1985.

The recommended funding level of $3,200,000 will permit growth of five percent above the amount available in 1986 after the application of the Gramm-Rudman-Hollings reduction.

## TENTH INTERNATIONAL PAN AMERICAN GAMES

| | |
|---|---|
| Fiscal year 1986 appropriations | $10,000,000 |
| Fiscal year 1986 adjusted base | 9,510,000 |
| Fiscal year 1987 budget request | 15,000,000 |
| Committee recommendation | 15,000,000 |
| Change | |

The Committee recommends an appropriation of $15,000,000 for the Tenth International Pan American Games, the amount of the budget request and the authorization.

## ENVIRONMENTAL RESTORATION, DEFENSE

| | |
|---|---|
| Fiscal year 1986 appropriations | $379,100,000 |
| Fiscal year 1986 adjusted base | 360,524,000 |
| Fiscal year 1987 budget request | 385,900,000 |
| Committee recommendation | 346,100,000 |
| Change | −39,800,000 |

The Committee recommends an appropriation of $346,100,000 for Environmental Restoration, Defense. The recommendation is a decrease of $33,000,000 below the $379,100,000 in total obligational authority for fiscal year 1986 and $14,424,000 below the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The Committee's recommendation includes an inflation reestimate of −$4,800,000 and a general reduction of $35,000,000.

The 1986 appropriation for environmental restoration included $64,400,000 for currently generated hazardous waste disposal operations. In 1987, those costs have been budgeted in the Service operation and maintenance accounts. On a comparable basis, the 1986 appropriation was $314,700,000 and the 1986 level after the application of the Gramm-Rudman-Hollings reduction was approximately $300,000,000. Thus, the 1987 budget request for environmental restoration, excluding hazardous waste disposal operations, represents a 29 percent increase. The Committee's recommendation will allow growth of 15 percent above the current 1986 level.

Although the Committee has recommended a reduction in funding for the environmental restoration account, this should not be construed as a diminution of the Committee's long-standing concern with and financial support to help solve environmental problems. Rather, it acknowledges that the Services' budgets include other funds to address currently generated hazardous waste and the fact that obligations in the environmental restoration, defense account have been lagging. As of June 30, 1986, obligations total $160,278,000 or 44 percent of the available 1986 funds. The Committee realizes that with management and organizational changes experienced in this activity, certain delays may be unavoidable. However, the Committee is concerned that all available 1986 resources may not be utilized and strongly urges the Department to take action as necessary to ensure that all 1986 funds are properly used.

Accordingly, the Committee directs the Department to study the reasons for the low obligation rate in the environmental restoration account and report back to the Committee by January 31, 1987 on the actions taken to improve the situation.

### TWIN CITIES ARMY AMMUNITION PLANT

The Committee is very concerned about the ongoing problems caused by the Twin Cities Army Ammunition Plant (TCAAP) in the Minneapolis/St. Paul metropolitan area of Minnesota. In 1981, a serious groundwater contamination problem was discovered in this area. In 1984, the Environmental Protection Agency (EPA) included this site in the National Priority List under the provisions of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

The EPA has determined that TCAAP is the sole source of groundwater contamination beneath the TCAAP site and is a major source of off-site contamination. A contaminated groundwater plume has been documented to be leaving the base and this has not been disputed by the Army. Yet the Army has steadfastly refused to take any responsibility for off-site groundwater contamination.

To date the off-site contamination has affected the water supplies of three municipalities in the area. The State of Minnesota's analysis of off-site contamination draws a clear correlation between time and increases in contamination. Not only has the State discovered wide lateral migration of contamination but the contamination appears to be going deeper and deeper into the bedrock aquifer. This problem has been accumulating over a period of 30 years so it is not yet possible to determine the full extent of contamination or the efforts required to clean it up.

The three affected municipalities rely on groundwater as a source of potable water. To date they have had to close several municipal and private wells and construct new wells and provide additional water treatment. Because of the urgency of the problem the Army is instructed to cooperate with the EPA and the Minnesota Pollution Control Agency to solve the contamination problems created by the TCAAP. Any agreement negotiated between these parties should include provisions for reimbursement to the State of Minnesota and local governments in the region for expenses they have already incurred in responding to the groundwater contamination problem.

## HUMANITARIAN ASSISTANCE

| | |
|---|---|
| Fiscal year 1986 appropriations | [1]$10,000,000 |
| Fiscal year 1987 budget request | |
| Committee recommendation | 6,000,000 |
| (Reappropriation) | 7,000,000 |
| Change | +6,000,000 |
| (Reappropriation) | +7,000,000 |

[1] Included for comparability, funds were included in operation and maintenance, Air Force account.

Language has been included in the bill which extends until September 30, 1987 the availability of $7,000,000 of funds appropriated in fiscal year 1986 for transportation for humanitarian relief of

Afghan refugees. This was a new initiative in fiscal year 1986 and it has taken more time than anticipated to establish the program. The Department of Defense estimates that not more than $3,000,000 to $4,000,000 will be obligated this year. Without the Committee's recommended extension, the remaining funds would lapse unused. The Committee has also included $3,000,000 in additional funding in 1987 for similar purposes. For 1987, it is the Committee's understanding that the authority to acquire transportation assets applies to vehicles or other conveyances acquired by lease or purchase.

In addition, the Committee recommends $3,000,000 for fiscal year 1987 for the distribution of excess nonlethal supplies for humanitarian relief. Thus, the total funding available for humanitarian assistance in fiscal year 1987 under the Committee's recommendation is $13,000,000.

# TITLE III

## PROCUREMENT

### ESTIMATES AND APPROPRIATION SUMMARY

The fiscal year 1987 Department of Defense procurement budget totals $95,656,700,000. The accompanying bill recommends $81,975,557,000 in total funding consisting of $79,455,530,000 in new budget authority and $2,520,027,000 in prior year unobligated funds transferred forward to fiscal year 1987. The total amount recommended is a decrease of $13,681,143,000 below the fiscal year 1987 budget estimate, and is $10,977,824,000 below the total provided for fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985. The table below summarizes the budget estimates and the Committee's recommendations:

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| SUMMARY | | | | | | |
| ARMY: | | | | | | |
| AIRCRAFT | | 3,264,700 | | 2,798,050 | | -466,650 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (19,100) | | (+19,100) |
| MISSILES | | 2,438,200 | | 2,003,300 | | -434,900 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (58,200) | | (+58,200) |
| WEAPONS, TRACKED COMBAT VEHICLES | | 4,452,600 | | 3,828,000 | | -624,600 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (8,500) | | (+8,500) |
| AMMUNITION | | 2,254,000 | | 2,068,988 | | -185,012 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (39,562) | | (+39,562) |
| OTHER | | 6,169,000 | | 4,641,811 | | -1,527,189 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (251,000) | | (+251,000) |
| TOTAL, ARMY | | 18,578,500 | | 15,340,149 | | -3,238,351 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (376,362) | | (+376,362) |
| TOTAL FUNDING AVAILABLE | | 18,578,500 | | 15,716,511 | | -2,861,989 |
| NAVY: | | | | | | |
| AIRCRAFT | | 11,304,300 | | 9,039,452 | | -2,264,848 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (155,574) | | (+155,574) |
| WEAPONS | | 6,095,400 | | 5,047,440 | | -1,047,960 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (160,667) | | (+160,667) |
| SHIPS | | 11,046,200 | | 9,213,100 | | -1,833,100 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (902,600) | | (+902,600) |
| OTHER | | 6,538,800 | | 5,492,515 | | -1,046,285 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (95,413) | | (+95,413) |
| COASTAL DEFENSE AUGMENTATION | | --- | | --- | | --- |
| MARINE CORPS | | 1,565,000 | | 1,444,896 | | -120,104 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (26,500) | | (+26,500) |
| TOTAL, NAVY | | 36,549,700 | | 30,237,403 | | -6,312,297 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (1,340,754) | | (+1,340,754) |
| TOTAL FUNDING AVAILABLE | | 36,549,700 | | 31,578,157 | | -4,971,543 |
| AIR FORCE: | | | | | | |
| AIRCRAFT | | 19,127,400 | | 16,202,251 | | -2,925,149 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (606,300) | | (+606,300) |
| MISSILES | | 8,982,400 | | 6,725,777 | | -2,256,623 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (117,900) | | (+117,900) |
| OTHER | | 10,900,300 | | 8,654,521 | | -2,245,779 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (78,711) | | (+78,711) |
| TOTAL, AIR FORCE | | 39,010,100 | | 31,582,549 | | -7,427,551 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (802,911) | | (+802,911) |
| TOTAL FUNDING AVAILABLE | | 39,010,100 | | 32,385,460 | | -6,624,640 |
| NATIONAL GUARD AND RESERVE EQUIPMENT | | --- | | 752,069 | | +752,068 |
| DEFENSE AGENCIES | | 1,488,400 | | 1,503,361 | | +14,961 |
| DEFENSE PRODUCTION ACT PURCHASES | | 30,000 | | 40,000 | | +10,000 |
| TOTAL NOA | | 95,656,700 | | 79,455,530 | | -16,201,170 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (2,520,027) | | (+2,520,027) |
| TOTAL FUNDING AVAILABLE | | 95,656,700 | | 81,975,557 | | -13,681,143 |

## FISCAL YEAR 1987 INFLATION ADJUSTMENT

The Committee recommends a reduction of $924,200,000 based on a repricing of the fiscal year 1987 budget request by the Department of Defense reflecting lower inflation. This reduction is distributed among appropriation accounts as follows:

| | |
|---|---|
| Aircraft, Army | $35,700,000 |
| Missiles, Army | 29,900,000 |
| Weapons, Tracked Vehicles, Army | 53,200,000 |
| Ammunition, Army | 17,700,000 |
| Other Procurement, Army | 58,600,000 |
| Aircraft, Navy | 109,100,000 |
| Weapons, Navy | 59,200,000 |
| Shipbuilding, Navy | 108,500,000 |
| Other Procurement, Navy | 59,600,000 |
| Procurement, Marine Corps | 17,000,000 |
| Aircraft, Air Force | 184,600,000 |
| Missiles, Air Force | 84,800,000 |
| Other Procurement, Air Force | 92,500,000 |
| Procurement, Defense Agencies | 13,800,000 |
| Total | 924,200,000 |

## NON-DEVELOPMENT ITEM PROCUREMENT

In recent years, the Department of Defense has increasingly procured "off the shelf" hardware as an alternative to development of new equipment. Such equipment has been referred to as Non-Development Items or NDI. The attractiveness of the NDI approach is that it generally costs less and results in earlier fielding of equipment than the standard development program. The Committee supports the recent emphasis on NDI and notes that the Senate Armed Services Committee fiscal year 1987 authorization bill (S. 2638) has a section (Sec. 945) which encourages NDI procurement to the maximum extent possible. The Committee cautions, however, that the current enthusiasm for NDI should not be allowed to overshadow the care that must be taken in devising an appropriate procurement strategy. NDI must be considered as a generic term that includes a spectrum of choices.

The Army has devised three categories of NDI. The first, Category A, includes items that are used in the same environment as commercial use. No research, development or testing is required. Category B includes items to be used in a military environment substantially different than the commercial environment. Category C consists of new systems assembled from components which may be commercial, in use by other services, or of foreign origin. Category C is further broken down into systems where all components exist and systems where some components must be developed. Clearly, the same acquisition strategy should not be applied to all types of NDI. While "Category A" type of equipment may require little or no testing, Category C equipment normally requires some development and testing.

The Committee is concerned that the characterization of an item as NDI too often is used to short change development and testing when it is both appropriate and required. NDI has also been given as a reason to build too much concurrency into a development and acquisition program. These mistakes can lead to costly technical and other problems when the equipment is fielded. The discredited DIVAD program is an example of what can happen when "off the shelf" components are assembled into a new system which is procured without adequate testing.

The Committee directs the Department of Defense to develop and publish regulations for all services to follow. Such regulations should both encourage NDI procurement (as proposed in Sec. 945 of S. 2638) and also differentiate the various types of NDI and the appropriate development/acquisition strategy for each. The Army's classification is not necessarily endorsed, but serves as a starting point for such an effort. The Committee expects to follow closely the Department's progress in implementing this direction.

## CONTROLLABILITY OF PROCUREMENT ACCOUNTS

During its review of the defense budget this year, the Committee became aware of certain limitations on the controllability of the procurement accounts. The budget request for Mobile Subscriber Equipment (MSE), for instance, is $903,700,000. This request for MSE is about one-fourth of the total requested for all Army communications and electronics equipment, and about three quarters of the increase for all Army communications and electronics equipment funding. The Committee was distressed to learn that in a very constrained budget year a program of such substantial size and growth was virtually exempt from budget reductions because of the nature of the firm fixed price contract under which it is being procured.

To better deal with the problem of controllability in the procurement accounts, the Committee directs the General Accounting Office to submit to it by February 1, 1987, a report on this matter. The report should assess the degree to which multiyear contracts, firm fixed priced contracts, and similar types of commitments have the effect of reducing discretionary control of those accounts during the budget year review. It should also set forth a proposed system by which the Department of Defense could report to Congress annually in conjunction with the budget submission on the controllability of the procurement budget, including prior years, the budget year, and future years. Finally, the report should include a proposed sytstem for implementing congressional control for major firm fixed price contracts similar to that exercised over multiyear contracts. The system should include identification and reporting on such proposals by the Department to Congress and a system for congressional approval.

## GOVERNMENT FURNISHED EQUIPMENT

Since 1971, the Department of Defense (DOD) and the services have made little progress in implementing overall government policies which call for minimizing the amount of equipment the government furnishes to contractors. The General Accounting Office (GAO) has concluded that major factors impeding progress include vagueness of Federal Acquisition Regulations and Defense Supplement provisions, which have allowed government officials to permit contractors to acquire new, general purpose equipment; limited DOD efforts to motivate contractors to provide their own equipment; inadequate equipment-acquisition guidelines, especially for service contractors; and continuing management oversight problems at field and headquarters levels over the acquisition, use and retention, and disposal of government-furnished equipment.

The Committee is concerned that the failure of the DOD to aggressively implement the phase down policy first established in the early 1970s contributes to continuing waste in the procurement and use of government furnished equipment. The Committee therefore directs the DOD to establish a strong program to implement the phase down policy and report to the Committee on this effort by January 15, 1987. The report should include a detailed explanation of how the DOD is dealing with the specific major factors impeding progress cited by the GAO.

### NEW STARTS IN MODIFICATION PROGRAMS

In last year's report, the Committee directed that all future new starts for modification programs not included in the budget be subject to standard below threshold new start reprogramming procedures. This was done because major modification programs with large future year funding requirements were being started by below threshold reprogramming, without the knowledge or approval of Congress. Unfortunately, the Committee found numerous examples of fiscal year 1986 below threshold new start modifications while examining the fiscal year 1987 budget. These programs were proposed to be started without notification or approval of Congress. The Committee reiterates its interest in this matter and directs the Office of the Secretary of Defense to promptly issue a regulation to implement last year's guidance. The Committee expects to be sent a copy of this regulation when it is issued, which shall be no later than December 31, 1986.

### BUDGET JUSTIFICATION MATERIAL FOR MODIFICATIONS

The Committee is dissatisfied with the quality of budget justification material submitted to support the fiscal year 1987 modification procurement lines. This is particularly true for Army programs. Future justification submissions shall be at least as informative and detailed as those prior to fiscal year 1987. In particular, the Committee expects a budget summary by modification program for each modification line and, for each modification program, a description and justification, total R&D and procurement profile (to include quantities) and meaningful development and procurement milestones.

### GENERAL REDUCTIONS IN OTHER PROCUREMENT, NAVY

The fiscal year 1987 Other Procurement, Navy budget materials lacked adequate information for analysis. They did not include a distribution of enacted fiscal year 1986 general reductions by line item. As a result of this approach neither the fiscal year 1986 base nor the proposed growth were defined.

The Committee directs the Navy to distribute general reductions for fiscal year 1987 to specific line items, to incorporate this distribution in the fiscal year 1987 column of the President's budget submission for fiscal year 1988, and to continue this general practice in the future with regard to general reductions.

## ARMY COMMAND AND CONTROL SYSTEM

The Army Command and Control System (ACCS) is intended to provide an integrated tactical, automated, battlefield command and control system. The Committee notes that the Army, through ACCS, is taking management steps to achieve interoperability and other benefits that result from the use of common equipment and software in several related programs. The Committee is concerned, however, that the difficulties of establishing a new management structure and the pressures to meet requirements of the affected programs will lead to a fiscal year 1988 budget submission that lacks programmatic continuity and cost-efficiency. The Committee therefore directs the Army to resolve its management arrangements for procurement for the affected programs and fully coordinate the fiscal year 1988 budget proposals for requirements, procurement, and fielding of equipment under the affected programs.

## DEPLETED URANIUM PENETRATORS

The Committee recommends a general provision, identical to Sec. 111 of H.R. 4428 (the Department of Defense Authorization Bill, 1987), which requires the Secretary of Defense to procure depleted uranium penetrators for ammunition only under a component breakout basis from at least two sources in the existing production base.

## DOMESTIC BALL BEARING INDUSTRY

In its report on fiscal year 1986 appropriations, the Committee directed the Department to study and report on the state of the domestic ball bearing industry. A report titled "Joint Logistics Commanders Bearing Study" was issued on June 18, 1986. It concludes that the domestic ball bearing industry is in jeopardy, and recommends a number of steps to reverse current adverse trends. The Committee requests that the Secretary of Defense review these findings and recommendations, and submit his conclusions and plan for implementation to the Committees on Appropriations and Armed Services not later than December 31, 1986.

## CAMOUFLAGE SCREEN SYSTEM

In the Report accompanying the fiscal year 1984 Defense Appropriation Bill the Committee urged the Army to broaden the industrial base for the production of Camouflage Screen Systems in a manner consistent with prudent fiscal management. The Army's efforts to do so have been successful and current procurements are fully in compliance with the Committee's direction. No further actions in this direction are required or anticipated. The present mobilization base, including minority suppliers, is sufficient to provide all anticipated requirements with adequate competition.

## SOCIALLY AND ECONOMICALLY DISADVANTAGED BUSINESSES AND HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

The Committee continues to believe that the Department of Defense should strive to attain, as a goal, an allocation of not less than five percent of the funds made available in fiscal year 1987 for procurement and research and development programs for enterprises controlled by economically and/or socially disadvantaged individuals and Historically Black Colleges and Universities.

While the Committee has been impressed with the responsiveness of the Department to this particular directive thus far, the plan/strategy and related action for implementing this initiative would appear to fall short of the level of effort needed to meet the goal. In particular, specific initiatives which effectively expand the existing base of disadvantaged entities participating in the Department's activities and the provision of support necessary to maintain such an expansion is strongly encouraged. In this regard, the Department should assess the feasibility of creating and/or expanding existing sheltered market programs aimed at utilizing and assisting disadvantagd businesses at the Department of Defense. Additionally, the creation of a Task Force, made up of representatives from the minority and majority business community, the Department, HBCU representatives and others, specifically charged with reviewing current Departmental disadvantaged business activities, and making recommendations for the improvement of same, would appear advisable and useful.

The Department is directed to report to the Committee by March 15, 1987, its progress in implementing the plan to meet the goal. However, the Department, in implementing such a plan, should not reduce its quality assurance criteria or lessen its standards of contact responsibility in achieving this goal.

## 9MM HANDGUN PROCUREMENT

The Committee has provided $19,035,000, the budget request, for the procurement of 9-mm handguns. Section 9107 has been included, however, conditioning the expenditure of these funds, and any funds previously appropriated in other Acts on the cancellation of the current procurement contract and recompetition of the performance specifications.

The Committee has reviewed the June, 1986 report of the General Accounting Office (GAO), and agrees with its conclusion that "the 9-mm program was not a good example of how to conduct an effective procurement . . ." Specifically, the Committee shares GAO's assessment that the basis on which one of the candidates for the 9-mm contract, Smith and Wesson, was eliminated from the competition was erroneous. Public confidence in the defense procurement process can be maintained only if potential contractors believe that their products will be evaluated fairly, and if deficiencies in the conduct of individual procurements, when identified, are remedied. That is the purpose of the Committee's direction that the 9-mm handgun performance specifications be recomputed.

The Committee is mindful that cancellation of the current contract may give rise to some liability on the part of the United States Government. Bill language has been included which will make available $31,200,000 of previously appropriated funds to complete the delivery of 9-mm handguns, spare parts, and magazines for which the Army has provided firm orders. The inclusion of this language is intended to facilitate the resolution of all contractual issues attendant to the cancellation of the current 9-mm handgun contract.

## AIRCRAFT PROCUREMENT, ARMY

| | |
|---|---|
| Appropriations, 1986 | $3,524,200,000 |
| Adjusted base, 1986 | 3,351,514,000 |
| New obligational authority, 1987: | |
| Estimate | 3,264,700,000 |
| Recommended | 2,798,050,000 |
| Decrease | 466,650,000 |
| Total recommended in the bill | [1] 2,817,150,000 |

[1] Includes $2,798,050,000 in new obligational authority and in addition, $19,100,000, of which $15,500,000 is to be derived by transfer from "Aircraft Procurement, Army, 1986/1988" and $3,600,000 is to be derived by transfer from "Aircraft Procurement, Army, 1985/1987".

This appropriation finances the acquisition of tactical and utility airplanes and helicopters, including associated electronics, electronic warfare and communications equipment and armament; modification of in-service aircraft; ground support equipment; and depot reparable assemblies, components and repair parts such as spare engines, transmissions, gear boxes and sensor equipment. It also funds related training devices, such as combat mission flight simulators, and production base support.

### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| AIRCRAFT PROCUREMENT, ARMY | | | | | | |
| AIRCRAFT | | | | | | |
| FIXED WING | | | | | | |
| ROTARY | | | | | | |
| EH-60A HELICOPTER (QUICKFIX)(MYP) | 18 | 135,000 | 18 | 108,700 | -- | -26,300 |
| EH-60A HELICOPTER (QUICKFIX) (MYP) (BY TRANSFER) | -- | --- | -- | (3,900) | -- | (+3,900) |
| EH-60A HELICOPTER (QUICKFIX)(MYP) (AP-CY) | -- | 16,900 | -- | 16,900 | -- | --- |
| AH-64 ATTACK HELICOPTER (APACHE) | 144 | 1,189,300 | 120 | 1,032,800 | -24 | -156,500 |
| AH-64 ATTACK HELICOPTER (APACHE) (AP-CY) | -- | 39,100 | -- | 39,100 | -- | --- |
| UH-60A (BLACK HAWK) (MYP) | 78 | 155,400 | 78 | 149,300 | -- | -6,100 |
| UH-60A (BLACK HAWK) (MYP) (BY TRANSFER) | -- | --- | -- | (3,100) | -- | (+3,100) |
| UH-60A (BLACK HAWK) (MYP) (AP-CY) | -- | 195,000 | -- | 133,900 | -- | -61,100 |
| TOTAL, AIRCRAFT | | 1,730,700 | | 1,480,700 | | -250,000 |
| MODIFICATION OF AIRCRAFT | | | | | | |
| OV-1 SURVEILLANCE AIRPLANE (MOHAWK) | -- | 24,900 | -- | 10,000 | -- | -14,900 |
| RV-1 RECON AIRPLANE | -- | 2,700 | -- | 2,700 | -- | --- |
| AH1S ATTACK HELICOPTER (COBRA-TOW) | -- | 61,000 | -- | 12,400 | -- | -48,600 |
| AH-64 MODS | -- | 33,400 | -- | 33,400 | -- | --- |
| CH-47 CARGO HELICOPTER (MYP) | -- | 208,400 | -- | 198,400 | -- | -10,000 |
| CH-47 CARGO HELICOPTER (MYP) (BY TRANSFER) | -- | --- | -- | (1,500) | -- | (+1,500) |
| CH-47 CARGO HELICOPTER (MYP) (AP-CY) | -- | 58,600 | -- | 58,600 | -- | --- |
| CH-54 CARGO HELICOPTER (TARHE) | -- | 1,300 | -- | 1,300 | -- | --- |
| UH-1 UTILITY HELICOPTER (IROQUOIS) | -- | 6,300 | -- | 6,300 | -- | --- |
| UH-60A (BLACK HAWK) MODS | -- | 7,700 | -- | 7,700 | -- | --- |
| ARMY HELICOPTER IMPROVEMENT PROGRAM (AHIP) | -- | 164,900 | -- | 122,500 | -- | -42,400 |
| ARMY HELICOPTER IMPROVEMENT PROGRAM (BY TRANSFER) | -- | --- | -- | (10,600) | -- | (+10,600) |
| ARMY HELICOPTER IMPROVEMENT PROGRAM (AHIP) (AP-CY) | -- | 45,400 | -- | 21,800 | -- | -23,600 |
| AIR TO AIR STINGER ACFT MOD | -- | 28,800 | -- | --- | -- | -28,800 |
| AIRBORNE AVIONICS | -- | 100 | -- | 100 | -- | --- |
| ASE MODIFICATIONS CLOSE COMBAT | -- | 3,500 | -- | 1,500 | -- | -2,000 |
| MODIFICATIONS UNDER $2.0M (AIRCRAFT) | -- | 100 | -- | 100 | -- | --- |
| ACFT 9MM | -- | 12,000 | -- | 12,000 | -- | --- |
| SOF AIRCRAFT MODIFICATIONS | -- | 3,500 | -- | --- | -- | -3,500 |
| GROUND PROXIMITY WARNING SYS | -- | --- | -- | 6,850 | -- | +6,850 |
| TOTAL, MODIFICATION OF AIRCRAFT | | 662,600 | | 495,650 | | -166,950 |
| SPARES AND REPAIR PARTS | -- | 710,500 | -- | 710,500 | -- | --- |
| SUPPORT EQUIPMENT AND FACILITIES | | | | | | |
| GROUND SUPPORT AVIONICS | | | | | | |
| AIRCRAFT SURVIVABILITY EQUIPMENT | -- | 11,600 | -- | 11,600 | -- | --- |
| OTHER SUPPORT | | | | | | |
| AVIONICS SUPPORT EQUIPMENT | -- | 57,900 | -- | 47,400 | -- | -10,500 |
| COMMON GROUND EQUIPMENT | -- | 28,400 | -- | 28,400 | -- | --- |
| AIR TRAFFIC CONTROL | -- | 4,800 | -- | 4,800 | -- | --- |
| SYNTHETIC FLIGHT TRAINING SYSTEMS | 3 | 37,700 | 3 | 34,200 | -- | -3,500 |
| INDUSTRIAL FACILITIES | -- | 16,000 | -- | 16,000 | -- | --- |
| WAR CONSUMABLES | -- | 4,500 | -- | 4,500 | -- | --- |
| TOTAL, SUPPORT EQUIPMENT AND FACILITIES | | 160,900 | | 146,900 | | -14,000 |
| INFLATION SAVINGS, FY87 | -- | --- | -- | -35,700 | -- | -35,700 |
| TOTAL, AIRCRAFT PROCUREMENT, ARMY | | 3,264,700 | | 2,798,050 | | -466,650 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (19,100) | | (+19,100) |
| TOTAL FUNDING AVAILABLE | | 3,264,700 | | 2,817,150 | | -447,550 |

## COMMITTEE RECOMMENDATIONS

### AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with authorization action:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from request |
|---|---|---|---|
| EH-60 Quickfix | 135,000 | 108,700 | −26,300 |
| AH-1 Mods | 61,000 | 12,400 | −48,600 |
| CH-47 Mods | 208,400 | 198,400 | −10,000 |
| AHIP | 164,900 | 122,500 | −42,400 |
| AHIP (AP) | 45,400 | 21,800 | −23,600 |
| Avionics support equipment | 57,900 | 47,400 | −10,500 |

### TRANSFERS

The Committee recommends the following transfers of prior year unobligated balances to offset reductions in fiscal year 1987:

| | |
|---|---|
| EH-60 Quickfix (fiscal year 1986) | $3,900,000 |
| UH-60 Black Hawk (fiscal year 1985) | 3,100,000 |
| CH-47 modifications (fiscal year 1985) | 500,000 |
| CH-47 modifications (fiscal year 1986) | 1,000,000 |
| AHIP (fiscal year 1986) | 10,600,000 |

### AIRCRAFT

#### AH-64 APACHE ATTACK HELICOPTER

The Army budgeted $1,189,300,000 for procurement of 144 AH-64 Apache attack helicopters. Authorization action reduced the approved quantity to 120 aircraft. According to hearings before the Subcommittee, the funding requirement for 120 aircraft is $1,032,800,000. Accordingly, the Committee recommends $1,032,800,000, a reduction of $156,500,000 for 120 aircraft. The Committee directs that, of the aircraft procured in fiscal 1987, 18 be assigned to the Army National Guard.

Army testimony has stated consistently that the Army's total requirement for AH-64 Apache attack helicopters is for 1206 aircraft, of which 396 are for the Army National Guard and Reserves. The present procurement plan for the Apache includes only 675 of the 1206, with only 36 allocated to the National Guard, and would have production stop with the 78 aircraft expected to be requested in fiscal year 1988. This planning would leave the Army approximately 45 percent short of fulfilling its total requirement and would result in the Army's not having any active production line for attack helicopters. Even in light of current tight budget constraints for weapons systems, it does not make sense to shut down production of one of the Army's highest priority programs with only 55% of the procurement requirement fulfilled. Accordingly, the Committee directs the Secretary of the Army to evolve a procurement program for the AH-64 that fulfills the total requirement for this weapon system and to submit this program with the fiscal year 1988 budget request.

### UH-60 BLACK HAWK UTILITY HELICOPTER

The Army budgeted $155,400,000 for procurement of 78 UH-60 Black Hawk helicopters. House Authorization reduced this amount by $3,000,000 based on overstated inflation and engine costs. The General Accounting Office recently identified $3,100,000 in excess fiscal year 1985 program funds. The Committee therefore recommends $149,300,000 for 78 aircraft, a reduction of $6,100,000 below the budget. The reduction is offset in part by a transfer of $3,100,000 from fiscal year 1985.

### UH-60 BLACK HAWK UTILITY HELICOPTER

### (ADVANCE PROCUREMENT)

The Army budgeted $195,000,000 for Black Hawk advance procurement. Included in this amount was $61,100,000 for economic order quantity procurement in anticipation of a multiyear contract beginning in fiscal year 1988. House authorization action has denied the proposed multiyear procurement. Therefore, the Committee recommends $133,900,000, a reduction of $61,100,000.

## MODIFICATION OF AIRCRAFT

### OV-1D MOHAWK MODIFICATIONS

The Army budgeted $24,900,000 for OV-1D Mohawk modifications. Included in this amount was $14,900,000 for Block II improvements. Engineering and testing for Block II improvements has just begun. A production contract will not be ready for award before fiscal year 1988. The fiscal year 1987 budget for Block II funds "data" and "long lead items". Since this is a violation of the full funding policy of this Committee and the Department, the Committee recommends denial of the $14,900,000 for Block II improvements. The Committee recommends $10,000,000 for other OV-1D modifications.

### AIR-TO-AIR STINGER MODIFICATIONS

The Army budgeted $28,800,000 for initial procurement of modifications to give Army aircraft the capability to fire Stinger missiles. The total cost of this program is estimated to be $829,000,000, excluding the cost of missiles. The Committee notes that the Army is presently testing an alternative missile to serve the air-to-air mission. Procurement of modifications for the Stinger missile would appear to be premature at this time. The Committee recommends denial of the entire amount, a reduction of $28,800,000.

### AIRCRAFT SURVIVABILITY EQUIPMENT—CLOSE COMBAT

The Army budgeted $3,500,000 for aircraft survivability equipment modifications-close combat. The budget funded procurement of 3,054 kits to interface with the AN/APR-39A radar warning receiver. However, the Army is buying only 1,739 of the AN/APR-

39A units. Only $1,500,000 is required to procure these units. Therefore the Committee recommends a reduction of $2,000,000.

#### SPECIAL OPERATIONS FORCES MODIFICATIONS

The Army budgeted $3,500,000 for procurement of modifications to aircraft to be used by the Special Operations Forces (SOF). This is the initial procurement for a program which may cost as much as one billion dollars. Special program requirements and plans are not yet firm nor is the relationship of this program with other Army programs and corresponding Air Force programs. The Committee supports the Army's SOF initiative, but believes that aircraft modification procurement funding in fiscal year 1987 is premature. Therefore the budget proposal is denied, a reduction of $3,500,000.

#### GROUND PROXIMITY WARNING SYSTEM

The Committee recommends $6,850,000 for procurement of ground proximity warning systems. These systems are for use only on fixed wing aircraft. In conducting a competitive procurement for these items, all possible alternatives shall be considered.

### SUPPORT EQUIPMENT AND FACILITIES

#### SYNTHETIC FLIGHT TRAINING SYSTEMS

The Army budgeted $37,700,000 for procurement of three synthetic flight training systems (simulators). The Committee recommends $34,200,000, a reduction of $3,500,000, based on overstated requirements for spares and engineering changes.

### INFLATION ADJUSTMENT

As discussed in the beginning of the Procurement section of this report, the Committee recommends an inflation adjustment of $35,700,000.

## MISSILE PROCUREMENT, ARMY

| | |
|---|---|
| Appropriations, 1986 | $2,904,332,000 |
| Adjusted base, 1986 | 2,762,020,000 |
| New obligational authority, 1987: | |
| Estimate | 2,438,200,000 |
| Recommended | 2,003,300,000 |
| Decrease | 434,900,000 |
| Total recommended in the bill | [1] 2,061,500,000 |

[1] Includes $2,003,300,000 in new obligational authority and in addition, $16,900,000 in prior year unobligated balances to be derived by transfer from "Missile Procurement, Army, 1985/1987"; and $41,300,000 in prior year unobligated balances to be derived by transfer from "Missile Procurement, Army, 1986/1988".

This appropriation finances the acquisition of surface-to-air, surface-to-surface, and antitank/assault missile systems. Also included are major components, modifications, targets, test equipment, depot reparable spares and repair parts, and production base support.

## PROGRAM RECOMMENDED

The total amount recommend in the bill will provide the following program in fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

|  | BUDGET REQUEST |  | COMMITTEE RECOMMENDED |  | CHANGE FROM REQUEST |  |
|---|---|---|---|---|---|---|
|  | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| MISSILE PROCUREMENT, ARMY |  |  |  |  |  |  |
| OTHER MISSILES |  |  |  |  |  |  |
| SURFACE-TO-AIR MISSILE SYSTEM |  |  |  |  |  |  |
| CHAPARRAL | 456 | 103,700 | -- | --- | -456 | -103,700 |
| AIR DEFENSE SYS HEAVY | -- | 9,100 | -- | --- | -- | -9,100 |
| OTHER MISSILE SUPPORT | -- | 6,500 | -- | 6,500 | -- | --- |
| PATRIOT (MYP) | 700 | 951,500 | 700 | 902,500 | -- | -49,000 |
| PATRIOT (MYP) (BY TRANSFER) | -- | --- | -- | (14,500) | -- | (+14,500) |
| PATRIOT (MYP) (AP-CY) | -- | 45,300 | -- | 45,300 | -- | --- |
| STINGER (MYP) | 4,180 | 251,700 | 4,180 | 190,200 | -- | -61,500 |
| STINGER (MYP) (BY TRANSFER) | -- | --- | -- | (18,600) | -- | (+18,600) |
| STINGER (MYP) (AP-CY) | -- | 40,300 | -- | --- | -- | -40,300 |
| PERSHING II | -- | 31,800 | -- | 31,800 | -- | --- |
| AIR-TO-SURFACE MISSILE SYSTEM |  |  |  |  |  |  |
| ANTI-TANK/ASSAULT MISSILE SYSTEM |  |  |  |  |  |  |
| TOW 2 | 12,000 | 134,600 | 8,600 | 68,400 | -3,400 | -66,200 |
| TOW 2 (BY TRANSFER) | -- | --- | -- | (12,600) | -- | (+12,600) |
| TOW 2 (AP-CY) | -- | 15,500 | -- | --- | -- | -15,500 |
| MULTIPLE LAUNCH ROCKET SYSTEM (MYP) | 72,000 | 474,200 | 72,000 | 461,700 | -- | -12,500 |
| MULTIPLE LAUNCH ROCKET SYSTEM (MYP) (BY TRANSFER) | -- | --- | -- | (12,500) | -- | (+12,500) |
| TOTAL, OTHER MISSILES |  | 2,064,200 |  | 1,706,400 |  | -357,800 |
| MODIFICATION OF MISSILES |  |  |  |  |  |  |
| MODIFICATIONS |  |  |  |  |  |  |
| PATRIOT | -- | 38,600 | -- | 21,900 | -- | -16,700 |
| CHAPARRAL | -- | 5,200 | -- | 5,200 | -- | --- |
| HAWK | -- | 68,200 | -- | 58,800 | -- | -9,400 |
| TOW | -- | 53,000 | -- | 53,000 | -- | --- |
| DRAGON | -- | 4,700 | -- | --- | -- | -4,700 |
| LANCE MODIFICATIONS | -- | 3,800 | -- | --- | -- | -3,800 |
| TOTAL, MODIFICATION OF MISSILES |  | 173,500 |  | 138,900 |  | -34,600 |
| SPARES AND REPAIR PARTS | -- | 150,900 | -- | 150,900 | -- | --- |
| SUPPORT EQUIPMENT AND FACILITIES |  |  |  |  |  |  |
| AIR DEFENSE TARGETS | -- | 32,400 | -- | 19,800 | -- | -12,600 |
| ITEMS LESS THAN $2.0M (MISSILES) | -- | 1,500 | -- | 1,500 | -- | --- |
| PRODUCTION BASE SPT | -- | 15,700 | -- | 15,700 | -- | --- |
| TOTAL, SUPPORT EQUIPMENT AND FACILITIES |  | 49,600 |  | 37,000 |  | -12,600 |
| INFLATION SAVINGS, FY87 | -- | --- | -- | -29,900 | -- | -29,900 |
| TOTAL, MISSILE PROCUREMENT, ARMY |  | 2,438,200 |  | 2,003,300 |  | -434,900 |
| TRANSFER FROM OTHER ACCOUNTS |  | --- |  | (58,200) |  | (+58,200) |
| TOTAL FUNDING AVAILABLE |  | 2,438,200 |  | 2,061,500 |  | -376,700 |

## COMMITTEE RECOMMENDATIONS

### AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with authorization action:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from request |
|---|---|---|---|
| Air defense system—heavy | 9,100 | | −9,100 |
| TOW II advance procurement | 15,500 | | −15,500 |
| Modification of missiles: | | | |
| Dragon | 4,700 | | −4,700 |
| Lance | 3,800 | | −3,800 |
| Air defense targets | 32,400 | 19,800 | −12,600 |

### CHAPARRAL

The Army requested $103,700,000 for initial production of 456 Chaparral missiles which incorporate the new Rosette Scan Seeker (RSS). A similar request last year was shown to be premature. Instead, the Congress provided funds for production start-up costs, in anticipation of a start in fiscal year 1987. The Committee is advised that more than two-thirds of those start-up funds will not be obligated until the second half of fiscal year 1987, that the earliest possible date for a production contract award is July 1987, and that the completion of government testing of the new missile will slip from December 1986 to February 1987. In addition, the Army is now contemplating competitive procurement of Chaparral missiles, necessitating additional time to evaluate potential second sources. The Committee concludes that production funds for Chaparral RSS should be deferred until fiscal year 1988. The Committee iterates its support for the program, and emphasizes that the recommended reduction is without prejudice.

### PATRIOT

The Army requested $951,500,000 for 700 Patriot missiles and associated fire units and other equipment. It appears to the Committee that, based on experience in prior year negotiations, the fiscal year 1987 program is overbudgeted by $34,500,000. Further, a total of $14,500,000 of prior year funds in contract savings and unneeded contingent liabilities are available for application to fiscal year 1987. In summary, the Committee recommends $902,500,000 for 700 Patriot missiles, a reduction of $49,000,000 from the budget request, offset in part by a transfer of $14,500,000 of prior year funds.

The Committee approves the Army's request to enter a multiyear procurement contract for procurement of Patriot. Said approval is included in the bill.

### PATRIOT GENERATOR SETS

Several years ago, the Army began a search for alternative suppliers of turbine engines for Patriot generator sets because of high cost and unacceptable failure rates of the existing turbine engine. Proposals in response to a solicitation were due early in 1986. Inexplicably, the Army put the solicitation "on hold" the day proposals were due, and later cancelled the solicitation. Subsequently, a new competition has been proposed by the Army which involves the building, by four competitors, of 24 prototype engines—12 turbine and 12 diesel. The building of these prototype engines will be the subject of a lengthy R&D program, followed by test and evaluation.

The Committee finds this situation to be totally unacceptable for the following reasons:

(1) The Committee is advised that of a total program requirement of approximately 140 units, approximately 100 have already been ordered. Paying for 24 prototypes in order to select the remaining 40 units is economically unjustified.

(2) The Army has concluded on three separate occasions that diesel engines are unable to meet Patriot requirements, and that only turbine engines will do so.

(3) Having two completely different kinds of engines in the same Patriot system would present severe logistics, maintenance and training problems.

The Committee concludes that the original competition made sense, and that the proposed new competition does not. Accordingly, the Committee directs the immediate reinstatement of the original competition, which sought to obtain a second source for turbine engines.

### STINGER

#### STINGER ADVANCE PROCUREMENT

The Army requested $251,700,000 for 4,180 Stinger missiles and associated equipment, and $40,300,000 of advance procurement funds to support multiyear procurement (MYP) of Stinger.

Included in the request were $42,900,000 for Pedestal Mounted Stinger. Because the first R&D funds for test and evaluation of alternatives were provided in the fiscal year 1986 appropriation, the Committee deems this request premature and recommends it be deferred. In addition, a total of $18,600,000 of prior year funds for unneeded contingent liabilities and rate facilitization are available for application to fiscal year 1987. In summary, the Committee recommends $190,200,000 for 4,180 Stinger missiles, a reduction of $61,500,000 from the budget request, offset in part by a transfer of $18,600,000 of prior year funds.

The request for advance procurement funds is in support of a proposal to begin a five year multiyear procurement of Stinger RMP missiles. The Committee notes that the RMP version of Stinger entered production only recently, and that first deliveries will not be made until the end of fiscal year 1987. Further, production rates are unclear, and it remains to be seen whether a high production rate can be sustained. Finally, budgetary contraints are expected to force the Army to plan for fewer missiles, thereby reducing and possibly eliminating any savings expected from multiyear contracting. The Committee concludes that Stinger RMP does not meet the criteria for multiyear contracting, denies multiyear procurement of Stinger RMP, and recommends deletion of $40,300,000 for Stinger advance procurement.

In March 1986, the Department forwarded a contractor-prepared study of the feasibility of establishing a second source to produce Stinger missiles. The conclusion drawn is that such a course would not produce cost savings, given the quantities and schedule now planned. On the other hand, the study recognizes that Stinger will probably be procured in larger quantity and for a longer time than is defined in the current baseline cost estimate. For that reason, the final sentence of the study is: "It is recommended, therefore, that second sourcing considerations not be abandoned but be maintained consistent with program baseline changes." The Committee is advised that there are firms ready and willing to bid for second source production of Stinger. Under these circumstances, the Committee concludes that the Army is ill-advised to reject second sourcing without more thorough investigation. The Committee directs the Army to solicit not-to-exceed bids for Stinger RMP production in annual lots for the funded fiscal years 1988 through 1992. The results are to be reported to the Committee not later than March 31, 1987.

### TOW II

The Army requested $134,600,000 for 12,000 TOW II missiles. The Committee is advised that $12,600,000 of prior year funds are available for application to fiscal year 1987. In addition, because of the possibility of future design changes, the Committee deems it prudent to restrain TOW II production to a total of 12,000 for the Army and Marine Corps combined. Accordingly, the Committee recommends $68,400,000 for 8,600 TOW II missiles, a reduction of $66,200,000 and 3,400 missiles from the budget request, offset in part by a transfer of $12,600,000 of prior year funds.

### MULTIPLE LAUNCH ROCKET SYSTEM

The Army budgeted $474,200,000 for procurement of the Multiple Launch Rocket System. The Committee recommends $461,700,000, a reduction of $12,500,000. The reduction is offset by a transfer of $12,500,000 from the fiscal year 1986 program. The $12,500,000 was appropriated for engineering change orders but is now excess to program requirements.

Since fiscal year 1983, the Army has been procuring the MLRS system under a five year multiyear contract (ending in fiscal year 1987) with options for fiscal years 1988 and 1989. When the contract was executed, it was anticipated that the MLRS program would be "bought out" in fiscal year 1989. Last March, the Army notified the Committee that it would continue to procure rockets through fiscal year 1993. In addition, the fiscal year 1987 budget includes $78,300,000 to procure 44 launchers; launcher procurement is now forecast through fiscal year 1990. Under the multiyear contract, the last launcher procurement was funded in fiscal year 1986.

Since the current multiyear contract will not now "buy out" the MLRS program, the Committee is concerned that the remaining program be procured in the most sensible and cost effective manner. In this regard, a second multiyear contract, with competition at the prime or subcontractor level, appears to be an attractive strategy. The Committee wishes to know the overall, long range procurement strategy before commitments are made outside the multiyear contract. The Committee therefore directs the Army to submit its proposed procurement strategy, together with justification to support it, before obligating any fiscal year 1987 launcher procurement funds.

## MODIFICATION OF MISSILES

### PATRIOT MODIFICATIONS

The Army requested $38,600,000 for Patriot Modifications. Included in that sum are $16,700,000 for an upgraded data link intended to use the SINCGARS radio. In view of the severe difficulties encountered in the SINCGARS program, the Committee finds that funds for upgrading the Patriot data link should be deferred. Accordingly, the Committee recommends $21,900,000 for Patriot Modifications, a reduction of $16,700,000 from the budget request.

### HAWK MODIFICATIONS

The Army requested $68,200,000 for HAWK Modifications. Included in that sum are $7,700,000 for first article testing of kits that will not be delivered until late in fiscal year 1988, and which can therefore be deferred. In addition, the Committee is advised that the budget request was not prepared using the most recent inflation indices, resulting in a request which is too high by $1,700,000. Accordingly, the Committee recommends $58,800,000 for HAWK Modifications, a reduction of $9,400,000 from the budget request.

### INFLATION ADJUSTMENT

As discussed in the beginning of the Procurement section of this report, the Committee recommends an inflation adjustment of $29,900,000.

## PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

| | |
|---|---|
| Appropriations, 1986 | 4,650,400,000 |
| Adjusted base, 1986 | 4,420,845,000 |
| New obligational authority, 1987: | |
| Estimate | 4,452,600,000 |
| Recommended | 3,828,000,000 |
| Decrease | 624,600,000 |
| Total recommended in the bill | [1] 3,836,500,000 |

[1] Includes $3,828,000,000 in new obligational authority, and in addition $8,500,000, to be derived by transfer from "Procurement of Weapons and Tracked Combat Vehicles, Army 1986/1988".

This appropriation finances the acquisition of tanks; personnel and cargo carriers; tracked recovery vehicles; self-propelled and towed howitzers; machineguns; mortars; modification of in-service equipment; initial and replenishment spares, repair parts; and production base support.

## PROGRAM RECOMMENDED

The total amount recommended in the bill provide the following program in fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| PROCUREMENT OF W&TCV,ARMY | | | | | | |
| TRACKED COMBAT VEHICLES | | | | | | |
| CARRIER, COMMAND POST LIGHT, FT, M577A2 | 300 | 64,100 | 300 | 64,100 | -- | --- |
| BRADLEY FIGHTING VEHICLES (MYP) | 870 | 1,121,800 | 593 | 830,000 | -277 | -291,800 |
| BRADLEY FIGHTING VEHICLES (MYP) (AP-CY) | -- | 20,600 | -- | 20,600 | -- | --- |
| BRADLEY FVS TRAINING DEVICES | -- | 9,500 | -- | 9,500 | -- | --- |
| FIELD ARTILLERY AMMUNITION SUPPORT VEH | 141 | 67,500 | 141 | 58,800 | -- | -8,700 |
| FIELD ARTILLERY AMMUNITION SUPPORT VEH (BY TRANSFER) | -- | --- | -- | (3,200) | -- | (+3,200) |
| RECOVERY VEHICLE, MED, FT, M88A1 | -- | 42,800 | -- | --- | -- | -42,800 |
| ABRAMS TANK SERIES ROLL (MYP) | 840 | 1,643,600 | 840 | 1,578,600 | -- | -65,000 |
| ABRAMS TANK SERIES ROLL (MYP) (AP-CY) | -- | 351,400 | -- | 321,900 | -- | -29,500 |
| M60 SERIES TANK TRAINING DEVICES | -- | 33,500 | -- | 33,500 | -- | --- |
| M1 SERIES TANK TRAINING DEVICES | -- | 9,500 | -- | 8,500 | -- | -1,000 |
| MODIFICATION OF TRACKED COMBAT VEHICLES | | | | | | |
| CARRIER,MOD | -- | 48,400 | -- | 41,900 | -- | -6,500 |
| FIST VEHICLE (MOD) | -- | 53,800 | -- | 53,800 | -- | --- |
| BFVS SERIES (MOD) | -- | 35,100 | -- | 35,100 | -- | --- |
| HOWITZER, MED SP FT 155MM M109 SER(MOD) | -- | 20,800 | -- | 3,000 | -- | -17,800 |
| TANK,COMBAT,FT,105MM GUN,M60SER (MOD)(MYP) | -- | 48,300 | -- | 48,300 | -- | --- |
| TANK, M1 SERIES (MOD) | -- | 80,400 | -- | 45,900 | -- | -34,500 |
| TANK, M1 SERIES (MOD) (BY TRANSFER) | -- | --- | -- | (5,300) | -- | (+5,300) |
| MOB TNG BASE EQUIP | -- | 17,000 | -- | 15,500 | -- | -1,500 |
| HOST NATION SUPPORT | -- | 4,700 | -- | 4,700 | -- | --- |
| SUPPORT EQUIPMENT AND FACILITIES | | | | | | |
| SPARES AND REPAIR PARTS | -- | 469,800 | -- | 436,300 | -- | -33,500 |
| ITEMS LESS THAN $2.0M (TCV-WTCV) | -- | 2,000 | -- | 2,000 | -- | --- |
| PRODUCTION BASE SUPPORT (TCV-WTCV) | -- | 57,800 | -- | 57,800 | -- | --- |
| TOTAL, TRACKED COMBAT VEHICLES | | 4,202,400 | | 3,669,800 | | -532,600 |
| WEAPONS AND OTHER COMBAT VEHICLES | | | | | | |
| HOWITZER, LIGT,TOWED, 105MM, L119 | 64 | 26,500 | 64 | 26,500 | -- | --- |
| MACHINE GUN, 7.62MM, M60 | 1,647 | 5,000 | -- | --- | -1,647 | -5,000 |
| ARMOR MACHINE GUN, 7.62MM M240 | 4,509 | 24,200 | -- | --- | -4,509 | -24,200 |
| SQUAD AUTOMATIC WEAPON (SAW) 5.56MM | 4,800 | 12,900 | 4,800 | 12,900 | -- | --- |
| LAUNCHER, SMOKE GRENADE | 4,217 | 1,800 | 4,217 | 1,800 | -- | --- |
| MORTAR, 81MM, M252 | 457 | 10,100 | 457 | 10,100 | -- | --- |
| MORTAR 120 MM | 145 | 13,200 | 145 | 13,200 | -- | --- |
| M16 RIFLE | 76,235 | 36,800 | 76,235 | 36,800 | -- | --- |
| PERSONAL DEFENSE WEAPON, 9MM | 21,219 | 4,400 | 21,219 | 4,400 | -- | --- |
| VEH RAPID FIRE WPN SYS-BUSHMASTER (MYP) | 947 | 37,300 | 947 | 37,300 | -- | --- |
| VEH RAPID FIRE WPN SYS-BUSHMASTER (MYP) (AP-CY) | -- | 3,200 | -- | 3,200 | -- | --- |
| MODIFICATION OF WEAPONS AND OTHER COMBAT VEHICLES | | | | | | |
| M16A1 RIFLE MODS | -- | 3,300 | -- | 3,300 | -- | --- |
| MODIFICATIONS UNDER $2.0M (WOCV-WTCV) | -- | 4,000 | -- | 4,000 | -- | --- |
| SUPPORT EQUIPMENT AND FACILITIES | | | | | | |
| REP SPARES AND REPAIR PARTS (WOCV-WTCV) | -- | 17,600 | -- | 17,600 | -- | --- |
| ITEMS LESS THAN $2.0M (WOCV-WTCV) | -- | 3,300 | -- | 3,300 | -- | --- |
| PRODUCTION BASE SUPPORT (WOCV-WTCV) | -- | 37,000 | -- | 37,000 | -- | --- |
| CANNON TUBE FORGINGS FOR SURGE | -- | 9,600 | -- | --- | -- | -9,600 |
| TOTAL, WEAPONS AND OTHER COMBAT VEHICLES | | 250,200 | | 211,400 | | -38,800 |
| INFLATION SAVINGS, FY87 | -- | --- | -- | -53,200 | -- | -53,200 |
| TOTAL, PROCUREMENT OF W&TCV,ARMY | | 4,452,600 | | 3,828,000 | | -624,600 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (8,500) | | (+8,500) |
| TOTAL FUNDING AVAILABLE | | 4,452,600 | | 3,836,500 | | -616,100 |

## Committee Recommendations

### Authorization Changes

The Committee recommends the following changes in the budget estimate, in accordance with authorization action:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from request |
|---|---|---|---|
| Bradley fighting vehicle | 1,121,800 | 830,000 | −291,800 |
| M–1 tank | 1,643,600 | 1,578,600 | −65,000 |
| M–1 training devices | 9,500 | 8,500 | −1,000 |
| Carrier mods | 48,400 | 41,900 | −6,500 |
| Mob. base training equipment | 17,000 | 15,500 | −1,500 |
| Spares | 469,800 | 436,300 | −33,500 |
| M60 7.62mm machine gun | 5,000 | | −5,000 |
| M240 7.62mm machine gun | 24,200 | | −24,200 |

## Tracked Combat Vehicles

### FIELD ARTILLERY AMMUNITION SUPPORT VEHICLE

The Army budgeted $67,500,000 for procurement of 141 Field Artillery Ammunition Support Vehicles (FAASV). The Committee recommends $58,800,000 for procurement of 141 vehicles, a reduction of $8,700,000. The reduction is partially offset by a transfer of $3,200,000 from the fiscal year 1986 program. These funds are excess to current requirements. The remaining reduction consists of anticipated contract savings.

### M–88 RECOVERY VEHICLE

The Army budgeted $42,800,000 for procurement of M–88 recovery vehicles. The budget proposed initial procurement of a product-improved version of this vehicle which will be able to tow the M1A1 tank. The development, engineering, and testing effort for this improved vehicle has not yet begun because the required reprogramming has not been approved by all Committees. That effort is scheduled to continue through fiscal year 1988. Authorization action has reduced the budget amount to $8,800,000. Clearly this is insufficient for a fully funded procurement program, even if the testing is both timely and successful. Therefore the Committee recommends denial of the entire amount, without prejudice to consideration of procurement funding in the fiscal year 1988 budget.

### M–1 TANK

### ADVANCE PROCUREMENT

The Army budgeted $351,400,000 for M–1 tank advance procurement. The Committee recommends $321,900,000, a reduction of $29,500,000 based on revised estimates from the Army.

## Modification of Tracked Combat Vehicles

### M109 155MM SELF PROPELLED HOWITZER MODIFICATIONS

The Army budgeted $20,800,000 for M109 155mm self propelled howitzer modifications. Included in this amount was $17,800,000 for the Howitzer Improvement Program, a major, multiyear effort to upgrade and modernize the M109. After the budget was prepared, the HIP was restructured. The current program calls for a "limited production" decision near the end of fiscal year 1988. Therefore, HIP procurement funding is clearly premature in fiscal year 1987. Therefore, the Committee recommends $3,000,000 for non-HIP modifications and denial of the $17,800,000 for HIP procurement.

### M–1 TANK MODIFICATIONS

The Army budgeted $80,400,000 for M–1 tank modifications. The Committee recommends the following reductions:

—$12,000,000 for the mobility diagnostic module because a production decision will not be made until fiscal year 1988.

—$17,200,000 for the auxiliary power unit. The procurement strategy is being restructured and it is doubtful that a contract can be awarded until fiscal year 1987. Funding totalling $25,800,000 has been provided in fiscal years 1985 and 1986. Therefore additional funding in fiscal year 1987 is unnecessary.

—$5,300,000 for the self cleaning air filter, offset by a transfer of excess fiscal year 1986 funding for this program.

In all, the Committee recommends $45,900,000 for M–1 modifications, a reduction of $34,500,000 offset in part by a $5,300,000 transfer from fiscal year 1986.

### M119 105MM HOWITZER

The Army budgeted $26,500,000 for initial procurement of the M119 105mm towed howitzer. The Committee recommends the budget estimate, subject to authorization.

### 81MM MORTAR

The Army budgeted $10,100,000 for the 81mm mortar. The Committee recommends the budget estimate, subject to authorization.

## Support Equipment and Facilities

### CANNON TUBE FORGINGS FOR SURGE

The Army budgeted $9,600,000 for "cannon tube forgings for surge". This is part of a Defense-wide mobilization surge program under which long lead components for critical end items are procured to serve as a "rolling stock" in production to reduce the response time in the event of mobilization. The budget proposal would fund the procurement of tube and breech forgings for the M–1 tank. While the Committee supports the mobilization surge program, the budget proposal appears to be an inappropriate use of these funds. In the first place, the M–1 tank does not appear on the Commander-in-Chiefs "Critical Item List" which is the basis for selecting candidates for this program. Secondly, even if the tank was a critical item, the proposal would not increase surge production for tanks but only for gun tubes. The Committee therefore recommends denial of the budgeted request.

### INFLATION ADJUSTMENT

As discussed in the beginning of the Procurement section of this report, the Committee recommends an inflation adjustment of $53,200,000.

## PROCUREMENT OF AMMUNITION, ARMY

| | |
|---|---|
| Appropriations, 1986 | $2,497,200,000 |
| Adjusted base, 1986 | 2,374,837,000 |
| New obligational authority, 1987: | |
| Estimate | 2,254,000,000 |
| Recommended | 2,068,988,000 |
| Decrease | 185,012,000 |
| Total recommended in the bill | [1] 2,108,550,000 |

[1] Includes $2,068,988,000 in new obligational authority, and in addition $39,562,000 in prior year unobligated balances, to be derived by transfer from "Procurement of Ammunition, Army, 1986/1988".

This appropriation finances the acquisition of ammunition, modification of in-service stock, and related production base support including the maintenance, expansion, and modernization of industrial facilities and equipment.

### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| PROCUREMENT OF AMMUNITION, ARMY | | | | | | |
| AMMUNITION | | | | | | |
| ATOMIC MATERIEL | | | | | | |
| NUCLEAR WEAPONS SUPPORT MATERIEL........................ | -- | 2,600 | -- | 2,600 | -- | --- |
| PROJ. NUCLEAR, 155MM.................................. | -- | 11,700 | -- | 11,700 | -- | --- |
| CONTROLLED ITEMS | | | | | | |
| CTG, 5.56MM, BALL M193................................ | 109,784 | 15,000 | 109,784 | 15,000 | -- | --- |
| CTG, 5.56MM, TRACER................................... | 20,982 | 5,600 | 20,982 | 5,600 | -- | --- |
| CTG, 5.56MM, TRACER CLIP.............................. | 15,625 | 4,800 | 15,625 | 4,800 | -- | --- |
| CTG, 5.56MM, BLANK M200............................... | 56,965 | 7,000 | 193,233 | 19,500 | +136,268 | +12,500 |
| CTG, 5.56MM, BLK M200, LKD F/SAW...................... | 90,476 | 18,400 | 90,476 | 18,400 | -- | --- |
| CTG, 5.56MM, 4 BALL M855/1 TRCR M856 LKD.............. | 99,098 | 29,400 | 99,098 | 29,400 | -- | --- |
| CTG, 5.56MM BALL M16-A2............................... | 18,845 | 3,400 | 18,845 | 3,400 | -- | --- |
| CTG, 7.62MM, 4 BALL M80/1 TRCR M62 LKD................ | 275,589 | 68,500 | 134,789 | 33,300 | -140,800 | -35,200 |
| CTG, 7.62MM, BALL M80 LKD/M13......................... | 10,562 | 2,700 | 10,562 | 2,700 | -- | --- |
| CTG, 7.62MM, LKD 4 BALL 1TRACER OHF................... | 1,667 | 500 | 1,667 | 500 | -- | --- |
| CTG, 7.62MM, BLANK M82 LKD/M13........................ | 72,064 | 15,900 | 89,139 | 19,300 | +17,075 | +3,400 |
| CTG, CAL .45, BALL M1911.............................. | 5,936 | 700 | 5,936 | 700 | -- | --- |
| CTG, CAL .50, PLASTIC LKD 4 BALL/1 TRACER............. | 4,665 | 5,400 | 4,665 | 5,400 | -- | --- |
| CTG, CAL .50, LKD 4 BALL/1 TRCR W/M15A2LK............. | 7,395 | 9,600 | 7,395 | 9,600 | -- | --- |
| CTG, CAL .50, APIT, M20 LKD........................... | 3,026 | 4,000 | 3,026 | 4,000 | -- | --- |
| CTG, CAL .50, BALL LKD................................ | 2,778 | 2,500 | 2,778 | 2,500 | -- | --- |
| CTG, CAL .50, LKD 4 BALL/1 TRACER W/M9 LK............. | 23,752 | 22,900 | 23,752 | 22,900 | -- | --- |
| NATIONAL BOARD FOR RIFLE PRACTICE..................... | -- | --- | -- | -1,350 | -- | -1,350 |
| CTG, 20MM, LKD TP-T M220 SERIES MLB M14A2............. | 3,028 | 9,700 | 5,676 | 11,300 | +2,648 | +1,600 |
| CTG, 20MM, LKD 4 TP M55A2/1TP-T M220.................. | 1,202 | 3,300 | 1,935 | 5,300 | +733 | +2,000 |
| CTG, 25MM, HEI-T M792 W/F............................. | 2,813 | 48,700 | 1,398 | 24,200 | -1,415 | -24,500 |
| CTG, 25MM, TPT LKD M793 MLB M28....................... | 2,018 | 25,500 | 2,018 | 25,500 | -- | --- |
| CTG, 30MM, LKD TP M788................................ | 260 | 2,400 | 260 | 2,400 | -- | --- |
| CTG, 40MM, HEDP M430.................................. | 2,673 | 28,700 | 2,673 | 28,700 | -- | --- |
| CTG 40MM TP F/MK19.................................... | 541 | 7,500 | 541 | 7,500 | -- | --- |
| CTG, 40MM, PRAC M781.................................. | 2,363 | 3,600 | 6,670 | 10,200 | +4,307 | +6,600 |
| CTG,40MM, RED SMOKE MARKER............................ | 133 | 1,800 | 133 | 1,800 | -- | --- |
| CTG,40MM, GREEN SMOKE MARKER.......................... | 141 | 1,900 | 141 | 1,900 | -- | --- |
| CTG,40MM, YELLOW SMOKE MARKER......................... | 139 | 1,900 | 139 | 1,900 | -- | --- |
| CTG, 81MM: ILLUM XM853................................ | 12 | 3,400 | 12 | 3,400 | -- | --- |
| CTG, 81MM: HE, M821 W/FUZE M734 MO.................... | 404 | 91,300 | 134 | 30,200 | -270 | -61,100 |
| CTG, 81MM: SMOKE, RP, XM819........................... | 45 | 11,000 | 24 | 6,000 | -21 | -5,000 |
| CTG, 81MM: 1/10 RNG. PRAC,XM880....................... | 41 | 2,900 | 41 | 2,900 | -- | --- |
| CTG, 4.2-IN HE M329A2 W/O FUZE........................ | 247 | 22,000 | 247 | 22,000 | -- | --- |
| CTG, 120MM: HE, XM933, W/FUZE M734 MO................. | 126 | 44,700 | 66 | 23,500 | -60 | -21,200 |
| CTG,120MM: ILLUM, XM930............................... | 11 | 5,500 | 7 | 3,600 | -4 | -1,900 |
| CTG,120MM: SMOKE, XM929............................... | 29 | 14,300 | 16 | 7,400 | -13 | -6,900 |
| CTG, 105MM, HEAT MP T M456A2.......................... | 19 | 7,700 | -- | --- | -19 | -7,700 |
| CTG, 105MM, HEAT MP T M456A2 (GENERAL REDUCTION).... | -- | --- | -- | -39,562 | -- | -39,562 |
| CTG, 105MM, HEAT MP T M456A2 (BY TRANSFER).......... | -- | --- | -- | (39,562) | -- | (+39,562) |
| TG, 105MM, DS-TP M724................................. | 274 | 41,600 | 274 | 41,600 | -- | --- |
| CTG, 105MM, APFSDS-T M833............................. | 41 | 20,300 | 41 | 20,300 | -- | --- |
| CTG, 120MM APFSDS-T M829.............................. | 62 | 75,900 | 62 | 75,900 | -- | --- |
| CTG, 120MM HEAT-MP-T,M830(MYP)........................ | 15 | 27,800 | 15 | 27,800 | -- | --- |
| CTG, 120MM TPCSDS-T, M865(MYP)........................ | 174 | 104,900 | 153 | 92,500 | -21 | -12,400 |
| PROJ,155MM,HE,ICM M483................................ | 441 | 173,000 | 224 | 87,900 | -217 | -85,100 |
| PROJ, 155M, SMK, WP, M825............................. | 52 | 13,500 | 88 | 22,900 | +36 | +9,400 |
| PROJ,155MM,HE,ADAM M731............................... | 9 | 33,900 | 9 | 33,900 | -- | --- |
| PROJ, 155MM, HE, RAAMS M718........................... | 9 | 11,900 | 9 | 8,800 | -- | -3,100 |
| PROJ, 155MM, HE, RAAMS M741........................... | 74 | 105,400 | 44 | 65,400 | -30 | -40,000 |
| PROJ, 155MM, BASEBLEED, XM864......................... | 35 | 31,600 | 35 | 31,600 | -- | --- |
| PROJ, 155M, HE, COPPERHEAD (EA)....................... | 220 | 8,200 | 220 | 8,200 | -- | --- |
| CHARGE, PROPELLING, M155MM, GREEN BAG M3.............. | 866 | 38,000 | 600 | 26,300 | -266 | -11,700 |
| CHARGE, PROPELLING, M155MM, RED BAG M203.............. | 77 | 20,000 | 25 | 6,500 | -52 | -13,500 |
| CHARGE, PROPELLING, M155MM, RED BAG M119.............. | 637 | 55,600 | 517 | 45,100 | -120 | -10,500 |
| PROJ, 8-INCH, HE, RAP, M650........................... | 36 | 37,300 | 23 | 23,800 | -13 | -13,500 |
| CHARGE, PROPELLING, 8-INCH WB, M188................... | 22 | 4,000 | -- | --- | -22 | -4,000 |
| FUZE, PD M739/M739A1.................................. | -- | --- | 480 | 9,700 | +480 | +9,700 |
| FUZE, MTSQ M577/M577A1................................ | 207 | 11,700 | 267 | 15,100 | +60 | +3,400 |
| FUZE, MTSQ M582/M582A1................................ | 191 | 11,200 | 191 | 11,200 | -- | --- |
| PRIMER, PERC, M82..................................... | 970 | 1,800 | 1,664 | 3,000 | +694 | +1,200 |
| CANISTER MINE PRACTICE XM88 (VOLCANO)................. | 8 | 1,900 | -- | --- | -8 | -1,900 |
| CANISTER MINE (VOLCANO) XM87.......................... | 16 | 31,600 | -- | --- | -16 | -31,600 |
| MTR RKT 5 IN MK22 MOD4................................ | 4,048 | 13,300 | 2,770 | 9,100 | -1,278 | -4,200 |
| LINE CHARGE M58A3 (MICLIC)............................ | 2,307 | 24,400 | 2,203 | 23,300 | -104 | -1,100 |
| MODUALR PACK MINE SYSTEM.............................. | 1,940 | 23,400 | 1,940 | 23,400 | -- | --- |
| PURSUIT DETERRENT MUNITION............................ | 11 | 2,100 | 11 | 2,100 | -- | --- |
| DEMOLITION MUNITIONS & OTHER.......................... | -- | 13,700 | -- | 13,700 | -- | --- |
| LIGHTWEIGHT MULTI-PURPOSE WEAPON...................... | 136 | 82,500 | 82 | 69,500 | -54 | -13,000 |
| LIGHT WGT MULTI PURPOSE SYSTEM TRNR................... | 963 | 2,500 | 963 | 2,500 | -- | --- |
| HYDRA 70 RKT, MPSM PRAC M267 WHD...................... | 4 | 2,700 | 46 | 21,600 | +42 | +18,900 |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| HYDRA 70 RKT, HE/PD (M151/M423/MK66) | 185 | 44,800 | 200 | 52,500 | +15 | +7,700 |
| HYDRA 70 RKT, ILLUM M257 WHD | -- | --- | 27 | 19,600 | +27 | +19,600 |
| HYDRA 70 SMOKE | -- | --- | 28 | 13,700 | +28 | +13,700 |
| GRENADE, HAND, ALL TYPES | -- | 27,400 | -- | 27,400 | -- | --- |
| GREN SMK SCREENING RP L8A1/L8A3 | 150 | 6,300 | 50 | 2,100 | -100 | -4,200 |
| GRENADE, SMOKE SCREENING IR M76 | 91 | 9,000 | 91 | 9,000 | -- | --- |
| SIGNALS, ALL TYPES | -- | 18,000 | -- | 18,000 | -- | --- |
| SIMULATORS, ALL TYPES | -- | 4,300 | -- | 8,700 | -- | +4,400 |
| MISCELLANEOUS | | | | | | |
| AMMO COMPONENTS/SUPPORT, ALL TYPES | -- | 20,300 | -- | 20,300 | -- | --- |
| CAD/PAD | -- | 2,500 | -- | 2,500 | -- | --- |
| ITEMS LESS THAN $2.0M (MISC-AMMO) | -- | 5,200 | -- | 6,700 | -- | +1,500 |
| SPARES AND REPAIR PARTS | -- | 1,200 | -- | 1,200 | -- | --- |
| AMMUNITION PECULIAR EQUIPMENT | -- | 7,800 | -- | 6,300 | -- | -1,500 |
| NITROGUANIDINE (LB) | -- | 23,200 | -- | --- | -- | -23,200 |
| COMP A-5 | -- | 12,200 | -- | --- | -- | -12,200 |
| COMP C-4 | -- | 9,500 | -- | --- | -- | -9,500 |
| PBX 0280 | -- | 3,800 | -- | --- | -- | -3,800 |
| COMP LX-14 | -- | 3,800 | -- | --- | -- | -3,800 |
| HMX EXPL-805 | -- | 5,700 | -- | --- | -- | -5,700 |
| AMMO 9MM/ELT | -- | 1,600 | -- | 1,600 | -- | --- |
| CLASSIFIED PROGRAMS | -- | 99,400 | -- | 38,800 | -- | -60,600 |
| GENERAL INCREASE, AMMUNITION | -- | --- | -- | 358,000 | -- | +358,000 |
| TOTAL, AMMUNITION | | 1,900,100 | | 1,799,188 | | -100,912 |
| AMMUNITION PRODUCTION BASE SUPPORT | | | | | | |
| PRODUCTION BASE SUPPORT | | | | | | |
| PROVISION OF INDUSTRIAL FACILITIES | -- | 159,000 | -- | 108,400 | -- | -50,600 |
| COMPONENTS FOR PROVE-OUT | -- | 8,700 | -- | 8,700 | -- | --- |
| LAYAWAY OF INDUSTRIAL FACILITIES | -- | 22,900 | -- | 22,900 | -- | --- |
| JEFFERSON PROVING GROUND MODERNIZATION | -- | 2,200 | -- | 2,200 | -- | --- |
| PRODUCTION BASE MODERNIZATION | -- | 161,100 | -- | 58,300 | -- | -102,800 |
| GENERAL INCREASE, PRODUCTION BASE | -- | --- | -- | 87,000 | -- | +87,000 |
| TOTAL, AMMUNITION PRODUCTION BASE SUPPORT | | 353,900 | | 287,500 | | -66,400 |
| INFLATION SAVINGS, FY87 | -- | --- | -- | -17,700 | -- | -17,700 |
| TOTAL, PROCUREMENT OF AMMUNITION, ARMY | | 2,254,000 | | 2,068,988 | | -185,012 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (39,562) | | (+39,562) |
| TOTAL FUNDING AVAILABLE | | 2,254,000 | | 2,108,550 | | -145,450 |

## THE DOMESTIC AMMUNITION PRODUCTION BASE

In last year's report, the Committee expressed its concern that unfair competition from foreign sources was jeopardizing domestic manufacturing capability that would be needed for mobilization. The Committee directed the Secretary of Defense to make several determinations and report to the Committee by May 31, 1986. The report has not been received.

The Committee has heard increasing concern from domestic ammunition producers that the ammunition production base in this country is being eroded by foreign competition. In some cases we have been buying offshore because a foreign producer submitted the low bid in a full and open competition. In other cases we are buying munitions from a foreign producer who designed the ammunition. In still other cases we are buying munitions offshore as part of offset or other international agreements.

The Committee supports competition in ammunition procurement and the growing "two way street" agreements with our allies. However, the Committee believes that our national security interests require a vigorous domestic ammunition production base. The Committee is concerned that growing offshore ammunition procurement may be jeopardizing the latter objective. However, before taking legislative action on this matter, a factual accounting of the magnitude of offshore procurement is required. Therefore, the Committee directs that the Department submit a list of all offshore ammunition procurement for the past three years and a projection for the next three years by December 31, 1986. The list shall include the item name, the dollar amount involved, the country and contractor from whom procured, and the year of funding. It shall include both end items and major components.

The Committee also believes that ammunition is being procured offshore without any overall policy. Such a policy should guide procurement authorities on when offshore procurement is appropriate and when mobilization base considerations dictate that procurement should be confined to domestic sources. Therefore, the Committee also directs that the Department establish a clear policy for offshore procurement of ammunition and submit it, along with a rationale and justification, with the list directed above. The list and the policy statement will be used by the Committee as it considers additional legislative action in the context of the fiscal year 1988 budget.

## TRAINING AMMUNITION

The Committee recognizes that regular and sustained training is a critical component of military readiness. The Committee has consistently supported training ammuniton budgets.

In hearings this year, the Army stated that its training ammunition budget was underfunded by $200,000,000, or 38 percent. The underfunded situation results from "evaluation of Army priorities". In part, the stated impact of this shortfall will be reduced training. Another claimed impact is a drawndown of war reserve ammunition, valued at $94,300,000, during the fiscal year 1987 funded delivery period.

While the Army was testifying to an underfunded training ammunition budget, the Auditor General of the Army was completing an audit of this program. The audit (HQ 86-200, "Audit of Training Ammunition Management") is dated January 16, 1986 and was made available to the Committee after the hearing. The extensive and comprehensive audit emphasized requirements and authorization expenditures, training devices, accountability, stock management, data processing support and related internal controls. The introduction to the audit summarizes the major findings.

> In general, policies and actions at major commands did not aggressively promote the conservation of training ammunition or the use of training devices, and managers were not evaluating whether the quantities of ammunition used were appropriate. These conditions, coupled with high authorizations, could lead to waste of training ammunition. Specific examples of these conditions include (i) the use of full caliber ammunition rather than available training devices, (ii) excessive expenditures of ammunition at yearend, (iii) use of different amounts of ammunition by like units, (iv) ammunition buried on firing ranges instead of being turned in, and (v) attempted sales of ammunition by soldiers. Also, ammunition issue and turn-in procedures were not effective and stockage policies were not adequate. The Training Ammunition Management Information System did not provide information needed by training and ammunition managers.

These findings are supported by data and specific examples. Detailed recommendations are included.

The Committee desires a training ammunition program which provides sufficient support to readiness. But it also expects that training ammunition resources be carefully husbanded and competently managed. The audit cited above, and many others over the years, point to serious and persistent problems. Clearly, the management of training ammunition requires more attention at all levels. The recommendations in the audit are the first steps which must be taken to achieve this attention.

While the Committee has recommended selected increases in training ammunition, the total recommendation still falls short of correcting the claimed budget shortfall. However, the Committee expects that greater management attention to this area, combined with the implementation of the audit recommendations, will reduce, if not eliminate, the shortfall.

The Committee directs the Army to report quarterly on actions taken to implement the audit recommendations as well as other actions taken to improve management of this important program.

## COMMITTEE RECOMMENDATIONS

### AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with changes recommended by the authorization legislation:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from request |
|---|---|---|---|
| 5.56 blank | 7,000 | 19,500 | +12,500 |
| 7.62 blank | 15,900 | 19,300 | +3,400 |
| 20mm ammunition | 13,000 | 16,600 | +3,600 |
| 25mm HEI-T | 48,700 | 24,200 | −24,500 |
| 40mm practice | 3,600 | 10,200 | +6,600 |
| 81mm smoke | 11,000 | 6,000 | −5,000 |
| 120mm mortar | 64,500 | 34,500 | −30,000 |
| 105mm HEAT | 7,700 | | −7,700 |
| 120mm TP | 104,900 | 92,500 | −12,400 |
| 155mm smoke | 13,500 | 22,900 | +9,400 |
| 155mm RAAMS | 117,300 | 74,200 | −43,100 |
| 155mm green bag prop charge | 38,000 | 26,300 | −11,700 |
| Point detonating fuze | | 9,700 | +9,700 |
| Fuze MTSQ | 11,700 | 15,100 | +3,400 |
| Primer, perc | 1,800 | 3,000 | +1,200 |
| MCLIC rocket | 13,300 | 9,100 | −4,200 |
| MCLIC charge | 24,400 | 23,300 | −1,100 |
| Hydra rockets | 47,500 | 107,400 | +59,900 |
| Simulators | 4,300 | 8,700 | +4,400 |
| Items less than $2.0 million | 5,200 | 6,700 | +1,500 |

## AMMUNITION

The following reductions are recommended based on papers from the Army showing realignments proposed as a result of events taking place after the budget was prepared:

[In thousands of dollars]

| Item | Budget | Recommended | Change |
|---|---|---|---|
| 7.62mm 4 ball | 68,500 | 33,300 | −35,200 |
| 81mm HE | 91,300 | 30,200 | −61,100 |
| 8-inch RAP | 37,300 | 23,800 | −13,500 |
| 8-inch white bag prop charge | 4,000 | | −4,000 |

### CIVILIAN MARKSMANSHIP PROGRAM

For reasons discussed earlier in this report under "National Board for the Promotion of Rifle Practice, Army," the Committee recommends a general reduction of $1,350,000.

### M483 155MM IMPROVED CONVENTIONAL MUNITION

The Army budgeted $173,000,000 to procure 441,000 M483 155mm Improved Conventional Munitions. The Committee recommends $87,900,000 for 224,000 projectiles, a reduction of $85,100,000 and 217,000 projectiles. The reduction is made in recognition of funded delivery period problems and late obligation of a large portion of the fiscal year 1986 appropriation.

Last year, the Congress stipulated that only $181,100,000 of the $269,000,000 appropriated could be obligated until the Army investigated the production problems at the Mississippi Army Ammunition Plant (MSAAP) and reported back to the Committee. The Committee has not yet received the Army's report. However, hearings and a recent Army Audit Agency report confirm that the problems continue. Two and one-half years after the plant was to be "fully operational", it can produce projectiles at only a fraction of the design capacity. Those projectiles that are produced cost twice what is paid for the same projectiles made at other plants. The Committee understands that the Army is considering investing an additional $120,000,000 or more in MSAAP for improvements which might not be competed until 1990. This represents more than a six year program slip and a cost overrun in excess of 30 percent.

The Committee notes that the outyear funding projection for the M483 provides less than 12 months production on a one shift basis at either of the other production facilities. The Army testified that, given these circumstances, MSAAP cannot be economically sustained as an active production facility. In addition, the fiscal year 1987 budget funds the first procurement of the M864 projectile which is a partial replacement for the M483. The acquisition objective for the M483 is therefore being reduced.

The Committee believes that the Army should carefully consider the cost-effectiveness of further investment at MSAAP at this time. Given the circumstances noted above, the priority of such investment compared to other urgent production base requirements would appear to be low. The Committee directs that any such investment be subject to the normal authorization/appropriation process.

### 105MM HEAT

After the budget was submitted, the Army cancelled the fiscal year 1986 and 1987 procurement of 105mm high explosive anti-tank ammunition. Therefore, in addition to recommending a reduction of $7,000,000 in the fiscal year 1987 budget (as proposed by authorization legislation) the Committee recommends a general reduction of $39,562,000 offset by a transfer of fiscal year 1986 105mm HEAT funding.

### 155MM BASEBLEED

The Army budgeted $31,600,000 for procurement of 35,000 155mm basebleed artillery projectiles. This is the intial procurement funding for this projectile. The Committee recommends the budget request but directs the Army to report to the Committee on the results of all tests and on production base decisions and milestones prior to obligating the funds.

### GB-2 155MM BINARY CHEMICAL PROJECTILE

The Army budgeted $60,600,000 for procurement of the GB-2 binary chemical projectile. In fiscal year 1986, $21,700,000 was appropriated to initiate procurement of this projectile. The appropriation Act, however, required that the funds could not be obligated before the beginning of fiscal year 1987. Since procurement funding is therefore already available in fiscal year 1987, and since there is no facility to produce the chemical DC to fill the budgeted projectiles, the Committee recommends no additional funding in fiscal year 1987.

### 155MM RED BAG PROP CHARGE M203

The Army budgeted $20,000,000 for procurement of 77,000 M203 155mm red bag prop charges. The Committee recommends $6,500,000, a reduction of $13,500,000 since 52,000 of the charges are scheduled to be delivered beyond the approved funded delivery period.

### 155MM RED BAG PROP CHARGE M119

The Army budgeted $55,600,000 for procurement of 637,000 M119 155mm red bag prop charges. The Committee recommends $45,100,000, a reduction of $10,500,000 since 120,000 charges are scheduled to be delivered beyond the approved funded delivery period.

### VOLCANO MINE AND CANISTER

The Army budgeted $1,900,000 for procurement of Volcano mines and $31,600,000 for procurement of the Volcano canister. This is the initial procurement funding for the Volcano system. The Committee believes that budget constraints preclude this new start. In addition, test results have been inconclusive and there is a possibility of cost saving as a result of using a different canister which will not be available until fiscal year 1988. The Committee therefore recommends a reduction of $33,500,000.

### AT–4 LIGHTWEIGHT ANTIARMOR SYSTEM

The Army budgeted $82,500,000 for procurement of 136,000 AT–4 lightweight antiarmor/multipurpose weapons. This is the third and final option year under the contract that was awarded after an international "shoot off" for this weapon. Although the Army has stated its intention to establish a U.S. production capability, the budget makes no provision for this purpose. The committee therefore recommends $44,500,000 for procurement of 72,000 AT–4's from the current offshore producer. In addition, the Committee recommends $10,000,000 for nonrecurring costs and $15,000,000 for low rate initial production of 10,000 weapons from onshore production. The Committee directs the Army to provide a detailed plan for establishing onshore prodution by December 30, 1986. In all, the Committee recommends $69,500,000, a reduction of $13,000,000.

### SMOKE SCREENING GRENADE

The Army budgeted $6,300,000 for procurement of 150,000 smoke screening grenades. Because of a variety of production problems, there is a large delivery backlog from prior year programs. In order to properly align the fiscal year 1987 program to the normal funded delivery period, the Committee recommends $2,100,000 for 50,000 grenades, a reduction of $4,200,000.

### AMMUNITION PECULIAR EQUIPMENT

The Army budgeted $7,800,000 for ammunition peculiar equipment. This line funds unique, low density equipment used in ammunition depot operations. Normally, each piece of equipment is itemized in the budget justification material. In fiscal year 1987, however, there is a new "plug" line titled "new APE requirements". No itemization or justification is presented for the $1,500,000 included for this item. The Committee recommends $6,300,000 for ammunition peculiar equipment, a reduction of $1,500,000. This will still provide a 29 percent increase over fiscal year 1986.

### EXPLOSIVES AND PROPELLANTS

The Army budgeted $58,200,000 to procure a variety of explosives and propellants for stockpiling. Such proposals have been denied by Congress at least four times in the past on the basis of affordability and of violating full funding. The Committee again rejects this proposal and recommends denial of the $58,200,000 budgeted to fund it.

### GENERAL INCREASE—AMMUNITION

The Committee recommends a general, unallocated increase of $358,000,000 in order to make the overall funding level for ammunition consistent with authorization legislation. The Army is directed to submit for approval an allocation of this amount, together with appropriate justification material.

## AMMUNITION PRODUCTION BASE SUPPORT

### PROVISION OF INDUSTRIAL FACILITIES PRODUCTION BASE MODERNIZATION

The Army budgeted $159,000,000 for provision of industrial facilities. Another $161,100,000 was budgeted for similar activities on a line called production base modernization. These lines fund projects for initial production facilities, expansion of facilities, and modernization of facilities. Congress has directed that designs must be complete for production base projects when the budget is submitted. Seven projects in the fiscal year 1987 budget, totalling $133,400,000, do not meet this criterion and the Committee recommends denial of funding. The projects are as follows:

| *Project* | *Amount* |
|---|---|
| Provision of industrial facilities: | |
| Modernize A-5 drying process, Holston AAP | $5,900,000 |
| Modernize Comp A facility, Holston AAP | 24,700,000 |
| Production base modernization: | |
| Expand facilities for M203A1, XM215, XM216, Sunflower and Indiana AAP's | 58,300,000 |
| Loading dock for explosives, Holston AAP | 3,500,000 |
| Equipment to complete TNT line, Radford AAP | 2,000,000 |
| Modernize second Comp B line, Holston AAP | 24,000,000 |
| Modernize Comp A facility line 9, Holston AAP | 15,000,000 |
| Total | 133,400,000 |

The budget also included $15,400,000 under Provision of Industrial Facilities for a second source for Bigeye chemical bomb metal parts. The Committee believes that this project is premature since the initial facility has not even been started and the Bigeye itself is still undergoing testing. The Committee recommends denial of this budget request.

The budget also included $4,600,000 under Provision of Industrial Facilities for an expansion of the GB-2 metal parts facility. The Committee recommends denial of this request since the current facility can produce the quantities forecast in the budget.

In all, the Committee recommends $108,400,000 for Provision of Industrial Facilities, a reduction of $50,600,000 and $58,300,00 for Production Base Modernization, reduction of $102,800,000.

### GENERAL INCREASE—PRODUCTION BASE

The Committee recommends a general, unallocated increase of $87,000,000 for production base support in order to make the overall funding for this budget activity consistent with authorization legislation. The Army is directed to submit for approval an allocation of this amount, together with appropriate justification material.

### PRODUCTION BASE REPROGRAMMING

The Army is reminded that the Committee still expects reprogrammings in excess of $500,000 in production base projects to be submitted to the Committee for approval. In addition, the Committee still expects quarterly reports on all reprogrammings from current and prior year appropriations.

### Inflation Adjustment

As discussed in the beginning of the Procurement section of this report, the Committee recommends an inflation adjustment of $17,700,000.

## OTHER PROCUREMENT, ARMY

| | |
|---|---|
| Appropriations, 1986 | $5,275,556,000 |
| Adjusted base, 1986 | 5,018,700,000 |
| New obligational authority, 1987: | |
| Estimated | 6,169,000,000 |
| Recommended | 4,641,811,000 |
| Decrease | 1,527,189,000 |
| Total recommended in the bill | [1]4,892,811,000 |

[1] Includes $4,641,811,000 in new obligational authority, and in addition $91,000,000 to be derived by transfer from "Other Procurement, Army, 1985/1987" and $160,000,000 to be derived by transfer from "Other Procurement, Army, 1986/1988".

This appropriation finances the acquisition of: (a) tactical and commercial vehicles, including trucks, semi-trailers, and trailers of all types to provide mobility and utility support to field forces and the worldwide logistical system; (b) communications and electronics equipment of all types to provide fixed, semi-fixed, and mobile strategic and tactical communications equipment; (c) other support equipment, such as chemical defensive equipment, tactical bridging, shop sets, construction equipment, floating and rail equipment, generators and power units, material handling equipment, medical support equipment, special equipment for user testing, and nonsystem training devices. In each of these activities funds are also included for modification of in-service equipment, investment spares and repair parts, and production base support.

## PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| OTHER PROCUREMENT, ARMY | | | | | | |
| TACTICAL AND SUPPORT VEHICLES | | | | | | |
| TACTICAL VEHICLES | | | | | | |
| CHASSIS TRAILER GEN 2 1/2 TON 2W M200A1.............. | 908 | 4,100 | 908 | 4,100 | -- | --- |
| CHASSIS, TRAILER, GP, 3 1/2T, 2W, M353.............. | 618 | 3,700 | -- | --- | -618 | -3,700 |
| DOLLY SET, TRANS SHELTER, 7 1/2T, M1022.............. | 219 | 6,200 | 219 | 6,200 | -- | --- |
| MOTORCYCLE, GED, 2W, ROUGH TERRAIN.............. | 2,732 | 7,100 | -- | --- | -2,732 | -7,100 |
| SEMITRAILER BB/CONT 34T M872 C/S.............. | 286 | 6,400 | 286 | 6,400 | -- | --- |
| SEMITRAILER, LOW BED, 40T M870 (C/S).............. | 73 | 1,900 | 73 | 1,900 | -- | --- |
| SEMITRAILER, TANK, 5000G.............. | 172 | 8,800 | 172 | 8,800 | -- | --- |
| SEMITRAILER, TANK, 7500G, BULKHAUL.............. | 187 | 7,300 | -- | --- | -187 | -7,300 |
| SEMITRAILER VAN SUPPLY 12T, 2W, M129A2C.............. | 242 | 7,000 | -- | --- | -242 | -7,000 |
| TRAILER, CARGO 3/4T, 2W, M101A2 W/E.............. | 1,476 | 5,600 | 1,476 | 5,600 | -- | --- |
| TRAILER, HEAVY, EXPANDED MOBILITY.............. | 286 | 7,400 | 207 | 5,400 | -79 | -2,000 |
| TRAILER TANK WATER 400G 1 1/2T 2W M149A1.............. | 966 | 5,900 | 966 | 5,900 | -- | --- |
| HI MOB MULTI-PURP WHLD VEH (HMMWV)(MYP).............. | 12,842 | 330,600 | 12,842 | 330,600 | -- | --- |
| SMALL UNIT SUPPORT VEHICLE (SUSV).............. | 241 | 26,200 | 241 | 13,800 | -- | -12,400 |
| TRUCK, 5T, 6X6, ABT (MYP) (GENERAL REDUCTION).............. | -- | --- | -- | -119,800 | -- | -119,800 |
| TRUCK, 5T, 6X6, ABT (MYP) (BY TRANSFER).............. | -- | --- | -- | (119,800) | -- | (+119,800) |
| TRUCK, 10T, 8X8, ABT (MYP).............. | 1,523 | 234,300 | 1,773 | 284,300 | +250 | +50,000 |
| MODIFICATION OF IN-SERVICE EQUIPMENT.............. | -- | 3,800 | -- | --- | -- | -3,800 |
| SHOP EQUIPMENT, AUTO MAINT & REP.............. | 306 | 2,500 | 306 | 2,500 | -- | --- |
| ITEMS LESS THAN $2.0M (TAC VEH).............. | -- | 1,900 | -- | 1,900 | -- | --- |
| NON-TACTICAL VEHICLES | | | | | | |
| PASSENGER CARRYING VEHICLES.............. | 480 | 13,800 | -- | --- | -480 | -13,800 |
| GENERAL PURPOSE VEHICLES.............. | 2,246 | 34,900 | -- | --- | -2,246 | -34,900 |
| SPECIAL PURPOSE VEHICLES.............. | 639 | 9,700 | -- | --- | -639 | -9,700 |
| SUPPORT EQUIPMENT AND FACILITIES | | | | | | |
| SPARES AND REPAIR PARTS.............. | -- | 136,600 | -- | 136,600 | -- | --- |
| TOTAL, TACTICAL AND SUPPORT VEHICLES.............. | | 865,700 | | 694,[illegible] | | -171,500 |
| COMMUNICATIONS AND ELECTRONICS EQUIPMENT | | | | | | |
| TELECOMM EQUIP - READ CMD COMM | | | | | | |
| JCSE EQUIPMENT (USREDCOM).............. | -- | 1,800 | -- | 1,200 | -- | -600 |
| CINCS INITIATIVE.............. | -- | 4,100 | -- | 4,100 | -- | --- |
| CLASSIFIED PROJECT 9WW.............. | -- | 9,100 | -- | 9,100 | -- | --- |
| TELECOMM EQUIP - JOINT TACTICAL COMM PR | | | | | | |
| MOD RCRD TPC TERM (MRTT).............. | -- | 31,900 | -- | --- | -- | -31,900 |
| MOD RCRD TPC TERM (MRTT) (BY TRANSFER).............. | -- | --- | -- | (18,300) | -- | (+18,300) |
| DIG GROUP MULTIIPLEXER (DGM).............. | -- | 10,800 | -- | --- | -- | -10,800 |
| RPTR/TERM ASSMBLGS.............. | -- | 19,900 | -- | 19,900 | -- | --- |
| RADIO TERMINALS AN/TRC-170.............. | -- | 32,400 | -- | 32,400 | -- | --- |
| MAINTENANCE SYSTEM AN/ARM-164.............. | -- | 3,300 | -- | 3,300 | -- | --- |
| UNIT LEVEL SWITCHES.............. | -- | 12,200 | -- | --- | -- | -12,200 |
| COM SYS CON EL AN/TYQ-16.............. | -- | 23,600 | -- | 23,600 | -- | --- |
| DIG NSEC VTER TA-954.............. | 4,600 | 3,900 | 4,600 | 3,900 | -- | --- |
| ANDVT-TAC TERM, CV-3591.............. | 159 | 3,900 | 159 | 3,900 | -- | --- |
| LIGHTWEIGHT DIGITAL FACSIMILE.............. | 85 | 1,200 | 85 | --- | -- | -1,200 |
| MOB SUBSCRIBER EQUIP.............. | -- | 903,700 | -- | 903,700 | -- | --- |
| MOD OF IN-SVC EQ (TRI-TAC).............. | -- | 9,900 | -- | 9,900 | -- | --- |
| TELECOMM EQUIP-COMBAT SUPPORT COMM | | | | | | |
| SINCGARS.............. | 16,000 | 204,000 | 16,000 | --- | -- | -204,000 |
| HAND CRANK GENERATOR, G-76.............. | 358 | 2,500 | 358 | 2,500 | -- | --- |
| IMP HF RADIO FAMILY.............. | -- | 11,100 | -- | --- | -- | -11,100 |
| OPTICAL LONG HAUL TRAN SYS.............. | 620 | 9,300 | 620 | 9,300 | -- | --- |
| PWR SUPPLY PP-6148/U.............. | 609 | 4,000 | 609 | 4,000 | -- | --- |
| SOF MOD RADIOS.............. | -- | 4,500 | -- | 4,500 | -- | --- |
| ANTENNA GROUP OE-254.............. | 13,540 | 6,500 | 13,540 | 6,500 | -- | --- |
| SMALL UNIT TRANSCEIVER.............. | -- | 3,700 | -- | 3,700 | -- | --- |
| VEHICULAR INTERCOM SYSTEM.............. | 100 | 10,200 | 100 | --- | -- | -10,200 |
| MOD OF IN-SVC EQUIP (CSC).............. | -- | 26,400 | -- | 19,500 | -- | -6,900 |
| RDF COMM(S.W. ASIA).............. | -- | 14,900 | -- | 14,900 | -- | --- |
| ITEMS LESS THAN $2.0M (CSC-C-E).............. | -- | 5,900 | -- | 5,900 | -- | --- |
| SPEC OPS COMM SUP ELMT.............. | -- | 15,200 | -- | 15,200 | -- | --- |
| TELECOMM EQUIP - WMCS WIDE SUPPORT, ARM | | | | | | |
| SECURE CONFERENCING PROJECT.............. | -- | 4,500 | -- | 4,500 | -- | --- |
| TELECOMM EQUIP - STARCOM NON-DCS | | | | | | |
| AR TELECOM AUTO PR (ATCAP).............. | -- | 3,200 | -- | 3,200 | -- | --- |
| C-E FACILITIES/PROJECTS.............. | -- | 4,700 | -- | 4,700 | -- | --- |
| SOUTHCOM C3 UPGRADE.............. | -- | 16,000 | -- | 11,600 | -- | -4,400 |
| ELECTROMAG COMP PROG(EMCP).............. | -- | 500 | -- | 500 | -- | --- |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST QTY | BUDGET REQUEST AMOUNT | COMMITTEE RECOMMENDED QTY | COMMITTEE RECOMMENDED AMOUNT | CHANGE FROM REQUEST QTY | CHANGE FROM REQUEST AMOUNT |
|---|---|---|---|---|---|---|
| LONG-HAUL COM (DCS) | | | | | | |
| TRANSMISSION MEDIA (EUCOM)............................ | -- | 11,100 | -- | 11,100 | -- | --- |
| TRANSMISSION MEDIA (PACOM)............................ | -- | 15,800 | -- | 15,800 | -- | --- |
| WW TECH COM IMP PR(WWTCIP)............................ | -- | 2,700 | -- | 2,700 | -- | --- |
| TELECOMM EQUIP - SATCOM-GRD ENVIRON | | | | | | |
| DIGITAL EQUIPMENT (DSCS).............................. | -- | 29,300 | -- | 29,300 | -- | --- |
| INTERCONNECT FACILITY (DSCS).......................... | -- | 2,200 | -- | 2,200 | -- | --- |
| JAM RESISTANT SECURE COM (JRSC)....................... | -- | 9,300 | -- | 9,300 | -- | --- |
| DSCS OPERATIONS CONTROL SYS (DOCS).................... | -- | 80,300 | -- | 41,100 | -- | -39,200 |
| MPK SAT UHF TERM, AN/PSC-3............................ | 115 | 5,000 | 115 | 5,000 | -- | --- |
| VEH SAT UHF TERM, AN/VSC-7............................ | 30 | 1,400 | 30 | 1,400 | -- | --- |
| MOD IN-SVC EQUIP (TAC SAT)............................ | -- | 7,000 | -- | 7,000 | -- | --- |
| TELECOMM EQUIP - EUCOM C3 SYSTEM | | | | | | |
| EUCOM C3 (MWS)........................................ | -- | 68,400 | -- | 68,400 | -- | --- |
| PACOM C3(MWS)......................................... | -- | 13,000 | -- | --- | -- | -13,000 |
| EUCOM ALTERNATE SPT HQ (ASH).......................... | -- | 3,800 | -- | 3,800 | -- | --- |
| USAREUR C2 PROJECT.................................... | -- | 7,700 | -- | 7,700 | -- | --- |
| TELECOMM EQUIP - COMSEC EQUIPMENT | | | | | | |
| AUTO KEY DC KGX-93/TSEC............................... | -- | 4,100 | -- | 4,100 | -- | --- |
| SEC VO IMPRV PRG (COMSEC)............................. | -- | 13,700 | -- | 13,700 | -- | --- |
| DED LOOP ENCRYP DEV KG-84............................. | 4,155 | 18,700 | 4,155 | 18,700 | -- | --- |
| TRK ENCRP DEV TSEC/KG-93.............................. | 208 | 2,100 | 208 | 2,100 | -- | --- |
| TSEC/KG-94............................................ | -- | 12,300 | -- | 12,300 | -- | --- |
| KEY GENERATOR, TSEC/KG-87............................. | 30 | 1,800 | 30 | 1,800 | -- | --- |
| COMSEC MODULE, TSEC/KGV-13............................ | 753 | 19,900 | 753 | 19,900 | -- | --- |
| FREQ MODULE, KGV-10/TSEC.............................. | 18,200 | 9,100 | 18,200 | --- | -- | -9,100 |
| TSEC/KYV-5 (VACTOR) SECURE EQUIP...................... | 89 | 500 | 89 | 500 | -- | --- |
| TEMPEST (COMSEC)...................................... | -- | 700 | -- | 700 | -- | --- |
| KOK-13/TSEC (KDC)..................................... | 21 | 1,900 | 21 | 1,900 | -- | --- |
| TSEC/KGV-8 (THORNTON) SECURE MODULE................... | 17 | 600 | 17 | 600 | -- | --- |
| TSEC/KGV-11/SECURE MODULE............................. | -- | 1,400 | -- | 1,400 | -- | --- |
| ITEMS LESS THAN $2.0M (COMSEC)........................ | -- | 11,700 | -- | 8,200 | -- | -3,500 |
| TELECOMM EQUIP - BASE COMM | | | | | | |
| BASE COMM (CONUS)..................................... | -- | 35,800 | -- | 35,800 | -- | --- |
| LOCAL AREA NETWORK (LAN).............................. | -- | 1,700 | -- | 1,700 | -- | --- |
| BASE COMM (EUCOM)..................................... | -- | 7,900 | -- | 7,900 | -- | --- |
| BASE COMM (PACOM)..................................... | -- | 1,600 | -- | 1,600 | -- | --- |
| ARMY OPNS CTR......................................... | -- | 4,300 | -- | 4,300 | -- | --- |
| PENTAGON TELECOM CTR (PTC)............................ | -- | 4,100 | -- | 4,100 | -- | --- |
| TMDE FOR TELECOMM | | | | | | |
| TMDE MODERNIZATION.................................... | -- | 16,900 | -- | 16,900 | -- | --- |
| OTHER ELECT SYS/EQUIP - INTELLIGENCE SU | | | | | | |
| 4TH PSYOP GROUP....................................... | -- | 12,500 | -- | 12,500 | -- | --- |
| TAC ELEC SURV SYS..................................... | -- | 4,000 | -- | 4,000 | -- | --- |
| MOD IN SER EQ (INT SPT) TIARA......................... | -- | 37,300 | -- | 37,300 | -- | --- |
| ITEMS LESS THAN $2.0M (INT SPT-C-E)................... | -- | 500 | -- | 500 | -- | --- |
| FT DEVENS TRAINING SUPPORT............................ | -- | 400 | -- | 400 | -- | --- |
| OTHER ELECT SYS/EQUIP - AUTO DATA PROCE | | | | | | |
| VERT INSTL AUTO BASELINE (VIABLE-BASOPS).............. | -- | 41,800 | -- | --- | -- | -41,800 |
| BATTERY COMPUTER SYSTEM............................... | 66 | 11,000 | 66 | 11,000 | -- | --- |
| AMC FIVE YEAR ADP PROGRAM............................. | -- | 4,000 | -- | --- | -- | -4,000 |
| ARMY DATA DISTRIBUTION SYSTEM-ADDS.................... | -- | 75,500 | -- | 32,652 | -- | -42,848 |
| TRADOC AUTOMATION..................................... | -- | 3,700 | -- | 3,700 | -- | --- |
| USAREUR TACTICAL AUTOMATION........................... | -- | 2,000 | -- | 2,000 | -- | --- |
| LIFE CYCLE SOFTWARE SUP. (LCSS)....................... | -- | 9,100 | -- | 9,100 | -- | --- |
| ADPE FOR NON TAC MGT INFO SYS......................... | -- | 40,400 | -- | 57,900 | -- | +17,500 |
| SUPERCOMPUTERS........................................ | -- | 22,900 | -- | --- | -- | -22,900 |
| ARMY CORPORATE DATABASE............................... | -- | 900 | -- | --- | -- | -900 |
| PROJECT BOX PHASE II.................................. | -- | 12,900 | -- | 12,900 | -- | --- |
| TRANS OF PERS PROP.................................... | -- | 2,900 | -- | --- | -- | -2,900 |
| STD ARMY AUTO CONTRACT SY............................. | -- | 6,800 | -- | 6,800 | -- | --- |
| FIRE SUPPORT TEAM DIGITAL MESSAGE..................... | 381 | 17,000 | -- | --- | -381 | -17,000 |
| FORWARD ENTRY DEVICE.................................. | -- | 12,000 | -- | 12,000 | -- | --- |
| MANUEVER CONTROL SYS.................................. | -- | 56,900 | -- | --- | -- | -56,900 |
| CORPS/THEATER ADP SVC CTR (CTASC)..................... | -- | 9,700 | -- | 9,700 | -- | --- |
| TACT ARMY CMBT COMPT SY(TACCS)........................ | 1,960 | 42,900 | 1,960 | 42,900 | -- | --- |
| CSS LOG APPLC AUTO MARK/READ SYMBS(LOG MARS........... | -- | 11,400 | -- | 9,600 | -- | -1,800 |
| WWMCCS INFORMATION SYSTEM (WIS)....................... | -- | 36,200 | -- | 36,200 | -- | --- |
| AUDIO VISUAL | | | | | | |
| AFRTS (AUDIO VISUAL).................................. | -- | 8,000 | -- | 8,000 | -- | --- |
| ITEMS LESS THAN $2,000,000 (A/V-C-E).................. | -- | 9,100 | -- | --- | -- | -9,100 |
| TACJAM, AN/MLQ-34..................................... | -- | 33,000 | -- | 33,000 | -- | --- |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| OTHER ELECT SYS/EQUIP - ELECTRONIC WARF | | | | | | |
| MOD IN-SVC EQUIP (EW) | -- | 8,300 | -- | 8,300 | -- | --- |
| ITEMS LESS THAN $2.0M (EW-C-E) | -- | 800 | -- | 800 | -- | --- |
| OTHER ELECT SYS/EQUIP - TACTICAL ELECTR | | | | | | |
| BATTERY CHARGER PP-7286/U | 535 | 3,000 | 535 | 3,000 | -- | --- |
| POWER SUPPLY, PP-6224 | 2,400 | 3,200 | 2,400 | 3,200 | -- | --- |
| COMPUTER/INDICATOR, CP-696/PD | 1,102 | 3,700 | 1,102 | 3,700 | -- | --- |
| METEROLOGICAL DATA SYS (FAMAS) | 20 | 32,800 | 20 | --- | -- | -32,800 |
| HAND HELD LASER RANGEFINDER AN/GVS-5 | 1,085 | 6,800 | 1,085 | 6,800 | -- | --- |
| INTRUSION DETECTION DEVICES | -- | 20,800 | -- | 20,800 | -- | --- |
| NAVSTAR GLOBAL POSITIONING SYSTEM | 377 | 5,200 | 377 | 5,200 | -- | --- |
| POSITION/AZIMUTH DETERMINING SYS (PADS) | 107 | 35,700 | 107 | --- | -- | -35,700 |
| NIGHT VISION GOGGLES | -- | 63,200 | -- | 63,200 | -- | --- |
| NIGHT VISION SIGHT INDIV WPN AN/PVS-4 | 3,947 | 10,000 | 3,947 | 10,000 | -- | --- |
| POS LOCATION REPORTING SYS (PLRS) (MYP) | -- | 4,000 | -- | --- | -- | -4,000 |
| RADIAC SET AN/VDR-2 | 3,459 | 4,000 | 3,459 | 4,000 | -- | --- |
| RPV TA/DESIGN AERIAL RECON SYS (TADARS) | -- | 117,700 | -- | 67,500 | -- | -50,200 |
| JOINT STARS (ARMY) | -- | 63,400 | -- | --- | -- | -63,400 |
| SHOP SHELTER MTD ASM-189 | 37 | 2,200 | 37 | 2,200 | -- | --- |
| SHOP SHELTER MDT-REP AN/ASM-146 | 63 | 2,100 | 63 | 2,100 | -- | --- |
| MODIFICATION OF IN-SERVICE EQ (TAC EL) | -- | 38,500 | -- | 38,500 | -- | --- |
| ITEMS LESS THAN $2,000,000 (TACT ELEC-C-E) | -- | 8,400 | -- | 8,400 | -- | --- |
| TMDE FOR TACTICAL ELECTRONICS | | | | | | |
| TMDE FOR STE/ICE | 1,386 | 6,500 | 1,386 | 6,500 | -- | --- |
| CORE ELECTRONIC AUTO TEST (STE-X) | 39 | 3,000 | 39 | 3,000 | -- | --- |
| OTHER ELECT SYS/EQUIP - SUP EQUIP AND F | | | | | | |
| SPARES AND REPAIR PARTS | -- | 183,200 | -- | 151,086 | -- | -32,114 |
| SPARES AND REPAIR PARTS | -- | 11,400 | -- | 11,230 | -- | -170 |
| SPARES AND REPAIR PARTS | -- | 260,300 | -- | 193,100 | -- | -67,200 |
| SPECIAL PROGRAMS | -- | 115,800 | -- | 102,800 | -- | -13,000 |
| PRODUCTIVITY INVESTMENT FUNDING | -- | 31,100 | -- | 31,100 | -- | --- |
| PROD ENHANCING CAP INVESTMENT PROG (PECIP) | -- | 21,800 | -- | 21,800 | -- | --- |
| PRODUCTION BASE SUPPORT (C-E) | -- | 8,100 | -- | 8,100 | -- | --- |
| CLASSIFIED PROGRAMS | -- | 251,600 | -- | 186,186 | -- | -65,414 |
| TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT | | 3,698,000 | | 2,793,254 | | -904,746 |
| OTHER SUPPORT EQUIPMENT | | | | | | |
| CHEMICAL DEFENSIVE EQUIPMENT | | | | | | |
| DECONTAMINATE APP PWR DR LT WT XM17 | 343 | 3,900 | 343 | 3,900 | -- | --- |
| MASK, PROTECTIVE, NBC | 66,884 | 19,900 | 66,884 | 19,900 | -- | --- |
| SIMP COLL PROT EQUIP XM20 | 445 | 4,100 | 445 | 4,100 | -- | --- |
| AUTO CHEMICAL AGENT ALARM (ACADA), XM22 | 346 | 9,000 | 346 | 9,000 | -- | --- |
| GEN SET, SMOKE, MECH: PUL JET,XM157 | 247 | 7,000 | 247 | 7,000 | -- | --- |
| BRIDGING EQUIPMENT | | | | | | |
| RIBBON BRIDGE ERECTION BOAT | 144 | 19,200 | 144 | 17,600 | -- | -1,600 |
| RIBBON BRIDGE ERECTION BOAT (BY TRANSFER) | -- | --- | -- | (1,600) | -- | (+1,600) |
| BRIDGE, FLOAT-RIBBON, INTERIOR BAY | 194 | 7,200 | 194 | 7,200 | -- | --- |
| BRIDGE, FLOAT-RIBBON, RAMP | 78 | 3,200 | 78 | 3,200 | -- | --- |
| BRIDGE, FLOAT-RIBBON, TRANSPORTER | 165 | 18,200 | 165 | 18,200 | -- | --- |
| ITEMS LESS THAN $2.0M(BRIDGING) | -- | 1,300 | -- | 1,300 | -- | --- |
| ENGINEER (NON-CONSTRUCTION) EQUIPMENT | | | | | | |
| GEMSS AUX MINE DISPNSR XM138 (FLIPPER) | 444 | 3,900 | 444 | 3,900 | -- | --- |
| DISPENSER MINE XM139 | 6 | 1,700 | 6 | --- | -- | -1,700 |
| MARKING SYS, CLEAR LANE | 88 | 3,200 | 88 | 3,200 | -- | --- |
| DETECTING SET, MINE, AN/PSS-12 | 4,665 | 4,900 | 4,665 | 4,900 | -- | --- |
| MINE PLOW | 135 | 5,500 | 135 | 5,500 | -- | --- |
| MINE CLEARING ROLLER | 55 | 3,700 | 55 | 3,700 | -- | --- |
| REMOTE CONTROL UNIT(MOPMS) | 1,560 | 9,800 | 1,560 | 9,800 | -- | --- |
| SURVEY SET DISTANCE MEASURING INFRARED | 278 | 2,800 | 278 | 2,800 | -- | --- |
| M-9 ARMORED COMBAT EARTHMOVER (ACE) (MYP) | 21 | 30,400 | 21 | 30,400 | -- | --- |
| ITEMS LESS THAN $2.0M(ENG NON-CONST) | -- | 900 | -- | 900 | -- | --- |
| COMBAT SERVICE SUPPORT EQUIPMENT | | | | | | |
| AIR CONDITIONERS VARIOUS SIZE/CAPACITIES | -- | 32,200 | -- | 32,200 | -- | --- |
| FIELD KITCHEN,MOBILE, TRL MTD | 836 | 13,100 | 836 | 13,100 | -- | --- |
| MODULAR FIELD KITCHEN | 465 | 11,600 | 465 | 11,600 | -- | --- |
| DIVING EQUIPMENT | -- | 1,800 | -- | 1,800 | -- | --- |
| FIRETRUCKS | -- | 16,000 | -- | 16,000 | -- | --- |
| LAUNDRY UNIT/TRL MTD | 110 | 7,300 | 110 | 7,300 | -- | --- |
| TAG PRINTING AND BINDING EQUIPMENT | -- | 4,300 | -- | 4,300 | -- | --- |
| ITEMS LESS THAN $2.0M (CSS-EQ) | -- | 11,300 | -- | 11,300 | -- | --- |
| MODIFICATIONS OF IN SERVICE EQUIP (CSE) | -- | 8,900 | -- | 8,900 | -- | --- |
| PETROLEUM EQUIPMENT | | | | | | |
| TANK ASSEMBLY FAB COLL POL 50000 G | 282 | 4,600 | 282 | 4,600 | -- | --- |
| FORWARD AREA REFUELING EQUIPMENT (FARE) | 300 | 2,800 | 300 | 2,800 | -- | --- |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| TANK ASSEMBLY FAB COLLAPSIBLE POL 10000G | 600 | 6,600 | 600 | 6,600 | -- | --- |
| TANK ASSY, FAB COLLAPS, 20,000 GAL POL | 652 | 6,300 | 652 | 6,300 | -- | --- |
| TANK/PUMP UNIT LIQ DISP F/TRK MOUNTING | 109 | 1,000 | 109 | 1,000 | -- | --- |
| LABORATORY, PETROLEUM, SEMI-TRLR MTD | 3 | 3,200 | 3 | 3,200 | -- | --- |
| PUMP ASSY LIQ GAS WHL 4 IN OUT 350 GPM | 744 | 12,200 | 744 | 12,200 | -- | --- |
| SWA PETROLEUM DISTRIBUTION SYSTEM | -- | 39,300 | -- | 13,757 | -- | -25,543 |
| ITEMS LESS THAN $2.0M (POL) | -- | 6,700 | -- | 6,700 | -- | --- |
| WATER EQUIPMENT | | | | | | |
| WTR PUR UNIT REV OS 3000 GPH (ROWPU) | 80 | 33,900 | 80 | 33,900 | -- | --- |
| WATER PUR UNIT, REV OSMOSIS, 600GPH (ROWPU) | 111 | 29,500 | 111 | 29,500 | -- | --- |
| TANK, FAB COLLAPS, 3000 GAL, WATER(ONION) | 1,200 | 2,900 | 1,200 | 2,900 | -- | --- |
| SMALL MOBILE WATER CHILLER (SMWC) | 167 | 1,500 | 167 | 1,500 | -- | --- |
| PUMP CENTRIFUGAL, 65GPM | 1,230 | 2,100 | 1,230 | 2,100 | -- | --- |
| ITEMS LESS THAN $2.0M (WATER EQ) | -- | 2,500 | -- | 2,500 | -- | --- |
| MEDICAL EQUIPMENT | | | | | | |
| DEPLOYABLE MEDICAL SYSTEM (DMS) | -- | 88,800 | -- | 10,000 | -- | -78,800 |
| CBT SUP EQUIP MEDICAL | -- | 48,100 | -- | 20,300 | -- | -27,800 |
| MEDICAL SUPPORT EQUIPMENT | -- | 70,800 | -- | 70,800 | -- | --- |
| MAINTENANCE EQUIPMENT | | | | | | |
| WELDING SHOP, TRAILER MTD | 236 | 9,700 | 236 | 9,700 | -- | --- |
| SHOP EQ ELECTRICAL RPR SEMI-TRL MTD | 114 | 14,500 | 114 | 14,500 | -- | --- |
| STEAM CLEANER | 930 | 5,000 | 930 | 5,000 | -- | --- |
| E WELDING MACHINE ELEC ARC 350 AMP (CC-CP) | 510 | 5,700 | 510 | 5,700 | -- | --- |
| BUILDING, PRE-FAB, RELOCATABLE | -- | 1,200 | -- | 1,200 | -- | --- |
| CALIBRATION SET SUPPORT | -- | 12,700 | -- | 11,700 | -- | -1,000 |
| ITEMS LESS THAN $2.0M (MAINT EQ) | -- | 10,300 | -- | 10,300 | -- | --- |
| CONSTRUCTION EQUIPMENT | | | | | | |
| TRACTOR FULL TRACKED LOW SPEED DD MED | 357 | 73,600 | 357 | 45,000 | -- | -28,600 |
| SMALL EMPLACEMENT EXCAVATOR (SEE) | 314 | 25,000 | 314 | 22,900 | -- | -2,100 |
| MODS OF IN SERVICE EQUIP (CONST EQUIP) | -- | 100 | -- | 100 | -- | --- |
| ITEMS LESS THAN $2.0M (CONST EQUIP) | -- | 700 | -- | 700 | -- | --- |
| RAIL FLOAT CONTAINERIZATION EQUIPMENT | | | | | | |
| LANDING, CRAFT, UTILITY | 6 | 29,300 | 6 | 29,300 | -- | --- |
| TUG INLAND AND COASTAL WATERWAYS | 2 | 30,100 | 2 | 20,100 | -- | -10,000 |
| LOGISTIC SUPPORT VESSEL (LSV) | 1 | 19,900 | 1 | --- | -- | -19,900 |
| CAUSEWAY SYSTEMS | 5 | 28,200 | 5 | 28,200 | -- | --- |
| RAILWAY CAR, TANK, POL, 20000G | 209 | 9,800 | 209 | 5,000 | -- | -4,800 |
| MODIFICATIONS OF IN-SERV EQ (FLOAT/RAIL) | -- | 5,700 | -- | 5,700 | -- | --- |
| ITEMS LESS THAN $2.0M (FLOAT/RAIL) | -- | 1,000 | -- | 1,000 | -- | --- |
| GENERATORS | | | | | | |
| GEN AND ASSOCIATED EQUIP | 5,912 | 115,900 | 5,912 | 115,900 | -- | --- |
| MATERIEL HANDLING EQUIPMENT | | | | | | |
| TRUCK, FORK LIFT, CBD, PT, 4000 LB | 465 | 13,300 | 465 | 13,300 | -- | --- |
| TRUCK, FORK LIFT, CBD, PT, 6000 LB | 304 | 12,300 | 304 | 12,300 | -- | --- |
| TRUCK, FORK LIFT, DE, PT, RT, 6000 LB | 206 | 21,000 | 206 | 21,000 | -- | --- |
| TRUCK, FORK LIFT, ELEC, SRT, 4000 LB | 57 | 1,700 | 57 | 1,700 | -- | --- |
| 65 TON CRANE | 91 | 42,600 | 91 | 42,600 | -- | --- |
| ITEMS LESS THAN $2.0M (MHE) | -- | 2,400 | -- | 2,400 | -- | --- |
| SPARES AND REPAIR PARTS | -- | 54,400 | -- | 35,700 | -- | -18,700 |
| AREA ORIENTED DEPOT UPGRADE | -- | 60,500 | -- | --- | -- | -60,500 |
| PRODUCTION BASE SUPPORT (OTH) | -- | 34,400 | -- | 34,400 | -- | --- |
| OSD PRODUCTIVITY INVESTMENT FUNDING | -- | 4,900 | -- | 4,900 | -- | --- |
| SPECIAL EQUIPMENT FOR USER TESTING | -- | 13,300 | -- | 13,300 | -- | --- |
| ITEMS LESS THAN $2.0M (OTH SPT EQ) | -- | 1,000 | -- | 1,000 | -- | --- |
| HOST NATION SUPPORT - EUROPE | -- | 41,900 | -- | 41,900 | -- | --- |
| NATIONAL TRAINING CTR SUP | -- | 10,800 | -- | 10,800 | -- | --- |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| TRAINING DEVICES, NONSYSTEM | -- | 186,100 | -- | 186,100 | -- | --- |
| BCE (NCMI) | -- | 61,600 | -- | 61,600 | -- | --- |
| PECIP (NCMI) | -- | 6,500 | -- | 6,500 | -- | --- |
| QRIP (NCMI) | -- | 9,100 | -- | 9,100 | -- | --- |
| TOTAL, OTHER SUPPORT EQUIPMENT | | 1,605,300 | | 1,324,257 | | -281,043 |
| PRIOR YEAR PROGRAM SAVINGS | -- | --- | -- | -111,300 | -- | -111,300 |
| PRIOR YEAR PROGRAM SAVINGS (BY TRANSFER) | -- | --- | -- | (111,300) | -- | (+111,300) |
| INFLATION SAVINGS, FY87 | -- | --- | -- | -58,600 | -- | -58,600 |
| TOTAL, OTHER PROCUREMENT, ARMY | | 6,169,000 | | 4,641,811 | | -1,527,189 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (251,000) | | (+251,000) |
| TOTAL FUNDING AVAILABLE | | 6,169,000 | | 4,892,811 | | -1,276,189 |

## Committee Recommendations

### Authorization Changes

The Committee recommends the following changes in the budget estimate, in accordance with authorization action:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from request |
|---|---|---|---|
| Chassis, trailer, GP, 3 1/2T, 2W, M353 | 3,700 | — | -3,700 |
| Semitrailer, tank, 7500G, bulkhaul | 7,300 | — | -7,300 |
| Semitrailer van supply 12T, 2W, M129A2C | 7,000 | — | -7,000 |
| Trailer, heavy, expanded mobility | 7,400 | 5,400 | -2,000 |
| Small unit support vehicle (SUSV) | 26,200 | 13,800 | -12,400 |
| Truck, 10T 8X8, ABT (MYP) | 234,300 | 284,300 | +50,000 |
| Passenger carrying vehicles | 13,800 | — | -13,800 |
| General purpose vehicles | 34,900 | — | -34,900 |
| Special purpose vehicles | 9,700 | — | -9,700 |
| JCSE equipment (USREDCOM) | 1,800 | 1,200 | -600 |
| MOD RCRD TFC TERM (MRTT) | 31,900 | — | -31,900 |
| Lightweight digital facsimile | 1,200 | — | -1,200 |
| SINCGARS | 204,000 | — | -204,000 |
| Vehicular intercom system | 10,200 | — | -10.200 |
| MOD of IN-SVC equip (CSC) | 26,400 | 19,500 | -6,900 |
| SOUTHCOM C3 upgrade | 16,000 | 11,600 | -4,400 |
| DSCS operations control sys (DOCS) | 80,300 | 41,100 | -39,200 |
| Items less than $2.0M (COMSEC) | 11,700 | 8,200 | -3,500 |
| Supercomputers | 22,900 | — | -22,900 |
| Trans of pers prop | 2,900 | — | -2,900 |
| Items less than $2,000,000 (A/V-C-E) | 9,100 | — | -9,100 |
| Meterological data sys (FAMAS) | 32,800 | — | -32,800 |
| Joint stars (ARMY) | 63,400 | — | -63,400 |
| Spares and repair parts | 260,300 | 193,100 | -67,200 |
| CBT sup equip medical | 48,100 | 20,300 | -27,800 |
| Calibration set support | 12,700 | 11,700 | -1,000 |
| Small emplacement excavator (SEE) | 25,000 | 22,900 | -2,100 |
| Tug inland and coastal waterways | 30,100 | 20,100 | -10,000 |
| Logistic support vessel (LSV) | 19,900 | — | -19,900 |
| Railway car, tank, POL, 20000G | 9,800 | 5,000 | -4,800 |
| Spares and repair parts | 54,400 | 35,700 | -18,700 |
| Area oriented depot upgrade | 60,500 | — | -60,500 |

## Tactical and Support Vehicles

### Army Tactical Wheeled Vehicles

#### REQUIREMENTS

In 1980, at the request of this Committee, the Army completed a zero-based study of tactical wheeled vehicle requirements. The study was requested because of fluctuating requirements, the requested procurement of a new class of tactical vehicle in the 10 Ton payload category, the upward creep in vehicle requirements, and the perception that costly militarized vehicles were being used where less expensive commercial vehicles could be substituted.

Since 1980, the Army has developed and procured the 5/4 Ton High Mobility Multipurpose Wheeled Vehicle (HMMWV) as a replacement for the 1/4 Ton Jeep, and procured the 10 Ton Heavy

Expanded Mobility Tactical Truck (HEMTT), Commercial Utility Cargo Vehicle (CUCV), and a product-improved 5 Ton truck. Initial multiyear contracts for these vehicles have expired or will expire soon. The Army is proposing the development of two new families of tactical vehicles to replace the current 5 Ton and 10 Ton trucks. Concurrently, it is preparing a re-procurement of the HMMWV and the CUCV.

The Committee's Surveys and Investigations Staff recently completed a review of the Army's tactical truck program. In examining the authorized acquisition objectives for tactical trucks, the S&I staff found wide fluctuations over the years. Despite repeated requests, the Army was unable to provide a written explanation of these fluctuations. According to the report, "The Army is aware of the system's deficiencies and when it produces dubious figures, DA staff officials routinely adjust the AAO for planning and budgeting purposes."

Not only have requirements varied over the years, they have continued to creep upward. The following represents the change in AAO in just one year, between 1986 and 1987 budget submissions:

| | 1986 | 1987 |
|---|---|---|
| CUCV | 68,210 | 79,563 |
| HMMWV | 89,014 | 96,061 |
| 5 ton | 63,986 | 106,996 |
| HEMTT | 17,119 | 20,244 |

It is clear from this report that a "bottom-up" re-examination of tactical wheeled vehicle requirements is in order, particularly at this time of transition to what may be a very different fleet. The Committee directs that such a zero based requirement study be conducted as a matter of high priority. Such a study should not only address vehicle requirements, but the process by which they are determined. Finally the study should consider the accuracy and timeliness of the system for reporting on and controlling vehicles deployed in the field. It is the Committee's expectation that this study will serve as a basis for future budget requests. In addition, it is expected that the Army will use this study to devise more accurate and timely systems for managing the vehicle inventory and explaining changes in vehicle requirements.

### PROCUREMENT STRATEGY

The Army is to be congratulated for moving toward the use of performance specifications and commercial components in procuring tactical wheeled vehicles. Such an approach allows industry the maximum flexibility to use its expertise to satisfy Army requirements. It also avoids risk and high cost associated with procuring uniquely designed military vehicles. However, it should be recognized and understood that, with the exception of the CUCV, none of the tactical vehicles in question is, strictly speaking, a commercial vehicle. Experience with the 5 ton, HEMTT and HMMWV programs has shown that assembling "off-the-shelf" commercial components into a new military vehicle is not without risk. In fact, the

Army is facing the prospect of substantial additional expenses—in the tens of millions of dollars—as a result of changes that have had to be made in these vehicles after production was started. These expenses are possible despite warranty provisions in the contracts in question. As the Army considers the procurement of new families of vehicles and re-procurement (with or without changes) of current vehicles, the lessons of the past must be heeded. Specifically, the procurement strategy must allow sufficient testing before a production contract is signed. The Committee directs the Army to assure such testing and to report on the proposed procurement strategy for new tactical vehicle purchases when the fiscal year 1988 budget is submitted.

### MOTORCYCLES

The Army budgeted $7,100,000 for procurement of 2,732 motorcycles. Initial procurement funding of $2,000,000 was appropriated last year. At that time, the Army was directed to submit to the Committee its validated requirement for motorcycles, along with a definitive acquisition strategy. To date, the Committee has received neither. In hearings this year, the Army stated that contract award was slated for March 1987. Since the initial fiscal year 1986 production contract will be awarded in fiscal year 1987, no additional funding in fiscal year 1987 is justified. Accordingly, the Committee recommends a reduction of $7,100,000.

### FIVE TON TRUCKS

The budget included no funds for procurement of five ton trucks. This was because fiscal year 1985 and 1986 appropriations were unobligated as a result of delays in awarding a new multiyear contract. The new contract was recently announced and the prices are significantly below those assumed in the prior year appropriations. Contract savings are estimated to be $72,700,000 in fiscal 1985 and $47,100,000 in fiscal year 1986. Therefore the Committee recommends a general reduction of $119,800,000 offset by a transfer of prior year funds.

### TEN TON TRUCKS

In addition to recommending $284,300,000 for the procurement of 1,773 ten ton trucks, the Committee recommends bill language requiring the Army to obligate, not later than 30 days after enactment of this Act, $49,900,000 from prior year funds to procure 412 additional ten ton trucks. The language is similar to section 122(e) of H.R. 4428, the fiscal year 1987 Department of Defense authorization bill.

### TACTICAL VEHICLE MODIFICATIONS

The Army budgeted $3,800,000 to procure roll bars for installation on M151 Jeeps. Since the jeeps are being replaced by High Mobility Multipurpose Wheeled Vehicles and phased out of the inventory, further investment in this vehicle is not justified. Therefore the Committee recommends denial of the request, a reduction of $3,800,000.

## COMMUNICATIONS AND ELECTRONIC EQUIPMENT

### MODULAR RECORD TRAFFIC TERMINAL

The Army budgeted $31,900,000 for the Modular Record Traffic Terminal Program. The Committee recommends denial of the request and use of $18,300,000 in unobligated fiscal year 1985 appropriations to fund the fiscal year 1987 program. The Army is planning to procure nondevelopmental equipment for the Single Subscriber Terminal at substantial savings to the fully militarized equipment on which the budget request was based.

### DIGITAL GROUP MULTIPLEXER

The Army budgeted $10,800,000 for the Digital Group Multiplexer program. The Committee recommends denial of this request because of delays in the fiscal year 1986 program.

### UNIT LEVEL CIRCUIT SWITCH

The Army budgeted $12,200,000 for the Unit Level Circuit Switch program. The Committee recommends denial of the request. This request was intended originally to procure switches for use at echelons above corps through a Marine Corps led procurement. The Army has now decided to buy Mobile Subscriber Equipment (MSE) for echelons above corps. The Army should arrange for fielding of MSE equipment at echelons above corps with equipment procured under the MSE line item. The Committee also recommends that prior year unobligated appropriations under this line item be made available to fund other parts of the fiscal year 1987 Other Procurement, Army fiscal year 1987 request. See the discussion under "Prior Year Savings" in this section for further details.

### MOBILE SUBSCRIBER EQUIPMENT

The Army budgeted $903,700,000 for Mobile Subscriber Equipment (MSE). The Committee recommends the full amount of the request.

The MSE requirements contract contains options which provide that the prime contractor will perform all Intermediate Rear and Depot-level maintenance for MSE-unique equipment for up to 15 years following delivery of the last equipment set. Under the current delivery schedule, this translates into total dependence on contractor maintenance at these levels through the year 2009. The contract does not provide for any technical or provisional data or training required by the Army to develop an organic depot maintenance capability to support or repair MSE-unique equipment.

These provisions contradict prior year testimony by Army and DoD officials regarding the degree of contractor involvement in supporting MSE. Moreover, in the Committee's view the failure to provide for an organic maintenance capability in existing Army depots violates the intent of statutory provisions regarding the contracting out of "core logistics" functions contained in the Fiscal Year 1985 and 1986 DoD Authorization Acts. The Army has failed to adequately address how such a contractual arrangement meets or fails to meet the need to maintain an adequate mobilization base and surge capability. Finally, such unprecendented dependence on the contractor for maintenance support for an extended period can be compared to a long-term, sole-source arrangement with none of the potential benefits which could accrue from competition between the private and public sector.

The Committee directs the Army to submit a report by December 1, 1986, which addresses the following concerns:

(1) Why the Army has committed itself to contractor maintenance support for MSE-unique equipment through the year 2009;

(2) Why the Army has departed from the Congressionally-mandated policy of maintaining an in-house "core logistics" capability in order to meet mobilization and/or surge requirements;

(3) Why there are no provisions for developing an in-house maintenance capability which could serve as a source of competitive pressure on the private sector;

(4) The near-term impact (through 1995) on planned utilization of the depot system resulting from the contracting out of maintenance for MSE-unique equipment, coincident with the replacement by MSE of existing communications equipment currently serviced by the depot system.

### IMPROVED HF RADIO FAMILY

The Army requested $11,100,000 for the Improved HF Radio Family program. The Committee recommends denial of the request. The Department of Defense has frozen fiscal year 1986 funds for this program until the Navy completes a study of procurement alternatives including nondevelopmental procurement. The Committee directs the Department to report to the Committee prior to obligation of fiscal year 1986 funds on the results of the study on procurement alternatives and on its revised procurement plans for the Improved HF Radio Family.

### PACIFIC COMMAND, CONTROL AND COMMUNICATIONS

The Army requested $13,000,000 for the Pacific Command, Control, and Communications-Regency Net program. The Committee recommends denial of the request. Several Regency Net issues have to be resolved prior to procurement to avoid unnecessary costs of retrofitting and modifications. These include: compliance by the Army with the requirement to incorporate Tri-Service Waveform in all new production radios with anti-jam capabilities to ensure compatibility with other radios; modification of Regency Net radio equipment which was designed for use in Europe, to accommodate requirements for its use in the Pacific; approval of frequency authorizations for Regency Net in Korea; and compatibility of encryption devices with the Navy and the Air Force.

### FREQUENCY MODULE, KGV–10/TSEC

The Army budgeted $9,100,000 for the Frequency Module, KGV–10/TSEC program. The Committee recommends denial of this request. This frequency module is used only with the SINCGARS radio, which has experienced procurement delays.

### VIABLE

The Army budgeted $41,800,000 for procurement of hardware for its Vertical Installation Automation Baseline (VIABLE) ADP project.

The Committee was surprised to learn during its hearings this year that no Army major automated information system has successfully passed the Office of the Secretary of Defense (OSD) oversight review process. Many Army ADP procurements have not reached fruition, and it is evident that the Army's new planning process has not yet stabilized.

The current budget shows over $300,000,000 of new VIABLE requirements during the next five years that were not forecast a year ago, which the Army proposes to award sole-source using existing VIABLE contract options. The Committee is concerned about the competitive aspects of this acquisition as well as a lack of proper oversight review by the Comptroller of the Defense Department, making funding in fiscal year 1987 premature. In addition, as expressed previously in this report, the Committee is concerned about the wisdom of expanding active Army ADP systems while neglecting fundamental automation needs of the Army Reserve Forces. The Committee directs the Comptroller of the Defense Department to review and approve the Army's requirements determination, economic analyses, acquisition strategy, and implementation plan through a formal oversight review prior to requesting additional resources from the Congress. In particular, he should also ensure that VIABLE or an alternative system adequately meets the automation needs of Army Reserve Forces. The Committee recommends that no funds be provided.

### AMC ADP

The Army budgeted $4,000,000 for a new start computer system for the Army Material Command, known as the Integrated Procurement System, which is estimated to have life cycle costs of $162,800,000. The Committee recommends denial of the request. Testimony to the Committee this year indicates that the Army has failed to follow Defense Department regulations concerning life cycle management of major automated information systems. The Army has also been unable to articulate how this program would fit into the new STARNET architecture. Funding in fiscal year 1987, in both procurement and operation and maintenance, is premature.

### ARMY DATA DISTRIBUTION SYSTEM (ADDS)

The Army budgeted $75,500,000 for the Army Data Distribution System (ADDS). The Committee recommends $32,652,000 for ADDS, a reduction of $42,848,000 from the budget request. The amount reduced was intended for enhancement of the Position Location Reporting System (PLRS), which comprises a large part of the ADDS system. This recommendation is consistent with the status of the PLRS program, which has experienced program delays.

### ADP EQUIPMENT FOR NON-TACTICAL MANAGEMENT INFORMATION SYSTEMS

The Army budgeted $40,400,000 for procurement of hardware for non-tactical management information systems. The Committee recommends an addition of $17,500,000 based on Army testimony that the Army National Guard budgeted for this equipment in the wrong appropriation. The Committee made an equivalent reduction in the Army National Guard Operation and Maintenance appropriation. Of the total $57,900,000 recommended to be appropriated in fiscal year 1987, no less than $27,500,000 is to be used only for automation for Army Reserve forces. DD Form 1414, Base for Reprogramming Actions must clearly designate them as a special Congressional interest item on which use for any other purpose would require prior approval from the Congress.

### SUPERCOMPUTERS

The Army budgeted $22,900,000 for procurement of supercomputers in fiscal year 1987. The request was denied by the House Armed Services Committee and the Committee also recommends that no funds be provided for this purpose. While the Committee strongly supports the use of modern technology, and especially supercomputers, to improve the operations of the Defense Department, the Committee is concerned about the discipline inherent in the Army's proposed supercomputer acquisition. The Committee directs the Comptroller of the Defense Department to formally review and approve the Army's supercomputer requirements, economic analyses, acquisition strategy, and other key management issues through a formal oversight review prior to requesting additional funds from Congress.

### CORPORATE DATA BASE

The Army budgeted $900,000 for procurement of hardware in fiscal year 1987 to initiate the Corporate Data Base concept. The Committe is excited about Army plans to develop a standard architecture for all its computers and a central approach to management of data stored on them. However, a significant financial investment will be necessary to accomplish these objectives. The amount required has not been disclosed to Congress. Further, it appears that the formal requirements determination, economic analsyses, acquisition strategy, and other prerequisities dictated by the Defense Department's life cycle management policy for acquisition of computers are not in place for the Corporate Data Base nor the Three Tier Architecture. Therefore, hardware acquisition at this time is premature. The Committee would be receptive to a reprogramming request during fiscal year 1987 if the Comptroller of the Defense Department determines it is warranted after a formal oversight review of Army plans. The Committee recommends that no funds be provided for the Corporate Data Base.

## FIRE SUPPORT TEAM DIGITAL MESSAGE DEVICE

The Army budgeted $17,000,000 for the Fire Support Team Digital Message Device Program. The Committee recommends denial of the request. The recommendation is based on program testing delays.

## MANEUVER CONTROL SYSTEM

The Army budgeted $56,900,000 for the Maneuver Control System. The Committee recommends denial of the request. The Committee directs the Army to rationalize the requirements, procurement, fielding, interoperability and logistical support of equipment already procured and that planned to be procured under this line item with the replacement equipment to be procured under the Army Command and Control System (ACCS) program, and to submit a report to the Committee by February 1, 1987 on these relationships between the two programs in connection with the next budget request for this program. The Committee directs that procurement of nondevelopmental equipment under the MCS program not be initiated until the Committee approves this report, and that procurement of military standard equipment proceed according to the plan submitted to the Committee this year.

## COMMODITY CONTROL STANDARD SYSTEM

The Army budgeted $11,400,000 for procurement of hardware to upgrade the Commodity Control Standard System (CCSS), whose life cycle cost exceeds $765 million. Army budget justification material states that a major equipment upgrade is planned. Expenditure of funds on a major upgrade, which has not been documented according to Defense Department regulations nor formally reviewed by the Department's Comptroller, is premature. In addition, CCSS was the subject of a recent GAO audit which indicates severe deficencies in the management of this program. In addition, the Army has been unable to articulate how this upgrade would fit into the new STARNET architecture. The Committee recommends $9,600,000, a reduction of $1,800,000 and directs the Comptroller of the Defense Department to review and approve the requirements determination, economic analysis, acquisition strategy, and implementation plan for the CCSS upgrade prior to requesting additional funds from the Congress.

## POSITION AZIMUTH DETERMINING SYSTEM

The Army budgeted $35,700,000 for the Position Azimuth Determining System (PADS). The Committee recommends denial of the request. The Congress provided sufficient funding in prior years for the Army to procure PADS for the active force. The expected useful life of this equipment together with plans to replace it with equipment meeting new requirements does not justify further procurement of PADS units.

### POSITION LOCATION REPORTING SYSTEM

The Army budgeted $4,000,000 for the Position Location Reporting System (PLRS). The Committee recommends denial of the request. This program has experienced a one year delay because of problems with initial production units.

### AQUILA REMOTELY PILOTED VEHICLE

The Army budgeted $117,700,000 for procurement of the Aquila remotely piloted vehicle.

The Committee carefully examined the Aquila program again this year and found that significant progress had been made since last year. In a January demonstration, the Aquila RPV successfully located and designated stationary and moving tank targets for the Copperhead projectile with eight for eight hits. The Aquila successfully completed Army-conducted development tests in May passing all test criteria. A combined arms test using a Marine Super Cobra helicopter firing Hellfire missiles at tank targets designated by Aquila was successful with four for four hits. The Committee concluded that the results of these tests demonstrated that the full scale development program should be completed and that successful completion of planned operational tests this Fall will demonstrate that Aquila is ready for production.

Other options being considered, the Committee concluded that procurement of the Aquila RPV system represents the most cost effective means to achieve the "force multiplier" capability needed by the battlefield commander. Aquila gives him the ability to see deep and fight deep in real time and is a key element in the future Air-Land Battle doctrine.

The Committee recommends an appropriation of $67,500,000 subject to authorization.

### SPARES AND REPAIR PARTS (TELECOM)

The Army budgeted $183,200,000 for Spares and Repair Parts (TELECOM). The Committee recommends $151,086,000, a reduction of $32,114,000 from the request. The recommendation for telecommunications initial spares reflects specific Committee recommendations for telecommunications procurement requests.

### SPARES AND REPAIR PARTS (COMSEC)

The Army budgeted $11,400,000 for Spares and Repair Parts (COMSEC). The Committee recommends $11,230,000, a reduction of $170,000 from the request. The recommendation for COMSEC initial spares reflects specific Committee recommendations for COMSEC procurement requests.

## OTHER SUPPORT EQUIPMENT

### MASK, PROTECTIVE, NBC

The Army budgeted $19,900,000 for the Mask, Protective, NBC Program. The Committee recommends approval of the request.

The Committee understands that the Army is having difficulty in the development of a new gas mask, and urges the Army to resolve those difficulties expeditiously. In the interim, however, current requirements for gas masks in the Army, other services of the United States, and the services of our allies need to be met. To deal with this situation the Committee directs the Army to preserve the ongoing industrial capacity to manufacture the M17A2 Field Mask until such time as the replacement mask effort proves to be successful.

### RIBBON BRIDGE ERECTION BOAT PROGRAM

The Army budgeted $19,200,000 for the Ribbon Bridge Erection Boat program. The Committee recommends $17,600,000, a reduction of $1,600,000 from the request, and use of $1,600,000 in unobligated fiscal year 1986 appropriations to fund part of the fiscal year 1987 request. The recommendation reflects unit costs savings in fiscal year 1986.

### DISPENSER MINE

The Army budgeted $1,700,000 for the Dispenser Mine program. The Committee recommends denial of the request. The recommendation is consistent with the Committee recommendation not to fund the Volcano Mine.

### SWA PETROLEUM DISTRIBUTION SYSTEM

The Army requested $39,300,000 for the SWA petroleum distribution system. Included in this request are funds to support a joint Army/Navy off-shore petroleum distribution system program. The Committee has been closely monitoring this program and is concerned about the lack of progress in awarding the fiscal year 1986 portion of this program for which funds were appropriated in the Other Procurement, Navy account. Accordingly, the Committee denies that portion of the Army's request for the off-shore petroleum distribution system and transfers the Navy's fiscal year 1986 unobligated off-shore petroleum distribution funds forward to fiscal year 1987. The Committee's recommendation represents a reduction of $25,543,000 from the Army's request.

### DEPLOYABLE MEDICAL SYSTEM

The Army budgeted $88,800,000 for the Deployable Medical System program. The Committee recommends $10,000,000, a reduction of $78,800,000 from the request. This recomendation is discussed under the heading "Military Health Care" heading in the Operation and Maintenance section of this report.

### TRACTOR, FULL TRACKED, LOW SPEED

The Army budgeted $73,600,000 for the Tractor, Full Tracked, Low Speed program. The Committee recommends $45,000,000, a reduction of $28,600,000 from the request. The reduction is based on lower than anticipated unit costs.

### REVERSE OSMOSIS WATER PURIFICATION UNITS

The Committee is concerned that small businesses qualifying as form 1519 mobilization resources receive the competitive opportunities entitled to firms earning such designations, especially with regard to the procurement of reverse osmosis water purification (ROWPU) kits. The Committee therefore directs the Deprtment of Defense to submit a report by February 15, 1987 on the extent to which such firms receive the competitive opportunities to which they are entitled in the procurement of ROWPUs.

### PRIOR YEAR PROGRAM SAVINGS

The Committee recommends a reduction of $111,300,000 for Other Procurement, Army to be offset by use of $111,300,000 in unobligated fiscal year 1986 appropriations to fund part of the fiscal year 1987 Other Procurement request. These prior year savings are not needed to fund fiscal year 1987 requirements under their respective line items. They include:

| | *Amount* |
|---|---|
| Modular record traffic terminal | $29,300,000 |
| Unit level circuit switch | 9,900,000 |
| SINCGARS | 72,100,000 |
| Total | $111,300,000 |

### INFLATION ADJUSTMENT

As discussed in the beginning of the Procurement section of this report, the Committee recommends an inflation adjustment of $58,600,000.

## AIRCRAFT PROCUREMENT, NAVY

| | |
|---|---|
| Appropriations, 1986 | $11,175,678,000 |
| Adjusted base, 1986 | 10,628,070,000 |
| New obligational authority, 1987: | |
| Estimate | 11,304,300,000 |
| Recommended | 9,039,452,000 |
| Decrease | 2,264,848,000 |
| Total recommended in the bill | [1]9,195,026,000 |

[1] Includes $9,039,452,000 in new obligational authority, and in addition $155,574,000 in prior year unobligated balances, of which $21,274,000 is to be derived by transfer from "Aircraft Procurement, Navy, 1985/1987" and $134,300,000 is to be derived by transfer from "Aircraft Procurement, Navy, 1986/1988".

This appropriation provides funds for the procurement of aircraft and related supporting equipment and programs. Included are funds for flight simulators and equipment to modify inservice aircraft to extend their service life, eliminate safety hazards, and improve their operational effectiveness. Additionally, spares and repair parts and ground support equipment for all end items procured by this appropriation are included. Funds are also provided for procurement of material and effort for planned 1988 programs which must be ordered in 1987 due to leadtime considerations.

### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program for fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST QTY | BUDGET REQUEST AMOUNT | COMMITTEE RECOMMENDED QTY | COMMITTEE RECOMMENDED AMOUNT | CHANGE FROM REQUEST QTY | CHANGE FROM REQUEST AMOUNT |
|---|---|---|---|---|---|---|
| AIRCRAFT PROCUREMENT, NAVY | | | | | | |
| COMBAT AIRCRAFT | | | | | | |
| BA-1 COMBAT AIRCRAFT | | | | | | |
| A-6E/F (ATTACK) INTRUDER (MYP) | 11 | 278,893 | 11 | 258,793 | -- | -20,100 |
| A-6E/F (ATTACK) INTRUDER (MYP) (AP-CY) | -- | 80,032 | -- | 80,032 | -- | --- |
| EA-6B (ELECTRONIC WARFARE) PROWLER | 12 | 417,686 | 12 | 417,686 | -- | --- |
| EA-6B (ELECTRONIC WARFARE) PROWLER (AP-CY) | -- | 22,008 | -- | 22,008 | -- | --- |
| AV-8B (V/STOL) HARRIER | 42 | 623,284 | 42 | 590,284 | -- | -33,000 |
| AV-8B (V/STOL) HARRIER (AP-CY) | -- | 77,002 | -- | 77,002 | -- | --- |
| F-14A/D (FIGHTER) TOMCAT | 15 | 541,063 | 15 | 520,363 | -- | -20,700 |
| F-14A/D (FIGHTER) TOMCAT (AP-CY) | -- | 127,724 | -- | 127,724 | -- | --- |
| F/A-18 (FIGHTER) HORNET (MYP) | 120 | 2,896,374 | 84 | 2,049,174 | -36 | -847,200 |
| F/A-18 (BY TRANSFER) | -- | --- | -- | (27,000) | -- | (+27,000) |
| F/A-18 (FIGHTER) HORNET (MYP) (AP-CY) | -- | 405,900 | -- | 143,900 | -- | -262,000 |
| CH/MH-53E (HELO) SUPER STALLION (MYP) | 14 | 189,034 | 14 | 174,034 | -- | -15,000 |
| CH/MH-53E (HELO) SUPER STALLION (MYP) (AP-CY) | -- | 30,900 | -- | 30,900 | -- | --- |
| AH-1W (HELICOPTER) SEA COBRA | -- | 36,212 | -- | 21,212 | -- | -15,000 |
| AH-1W (AP-CY) | -- | --- | -- | 15,000 | -- | +15,000 |
| SH-60B (ASW HELO) SEAHAWK | 17 | 199,651 | 11 | 129,251 | -6 | -70,400 |
| SH-60B (ASW HELO) SEAHAWK (AP-CY) | -- | 21,121 | -- | 21,121 | -- | --- |
| SH-60F (CV ASW HELO) | 7 | 138,770 | 7 | 103,770 | -- | -35,000 |
| SH-60F (CV ASW HELO) (AP-CY) | -- | 29,361 | -- | 29,361 | -- | --- |
| P-3C (PATROL) ORION | 9 | 312,388 | 2 | 69,420 | -7 | -242,968 |
| P-3C (PATROL) ORION (AP-CY) | -- | 93,198 | -- | 93,198 | -- | --- |
| E-2C (EARLY WARNING) HAWKEYE | 6 | 286,483 | 6 | 280,983 | -- | -5,500 |
| E-2C (EARLY WARNING) HAWKEYE (AP-CY) | -- | 24,120 | -- | 24,120 | -- | --- |
| SH-2F (ASW HELO) SEASPRITE | 6 | 52,798 | 6 | 52,798 | -- | --- |
| TOTAL, COMBAT AIRCRAFT | | 6,884,002 | | 5,332,134 | | -1,551,868 |
| AIRLIFT AIRCRAFT | | | | | | |
| BA-2 AIRLIFT AIRCRAFT | | | | | | |
| C-2 (MYP) | 9 | 99,718 | 9 | 99,718 | -- | --- |
| TOTAL, AIRLIFT AIRCRAFT | | 99,718 | | 99,718 | | --- |
| TRAINER AIRCRAFT | | | | | | |
| BA-3 TRAINER AIRCRAFT | | | | | | |
| T-45TS GOSHAWK (AP-CY) | -- | 56,374 | -- | --- | -- | -56,374 |
| T-45TS GOSHAWK (AP-CY) (BY TRANSFER) | -- | --- | -- | (56,374) | -- | (+56,374) |
| TOTAL, TRAINER AIRCRAFT | | 56,374 | | --- | | -56,374 |
| OTHER AIRCRAFT | | | | | | |
| BA-4 OTHER AIRCRAFT | | | | | | |
| E-6A | 3 | 226,619 | 3 | 226,619 | -- | --- |
| E-6A (AP-CY) | -- | 72,879 | -- | 72,879 | -- | --- |
| VH-60 | -- | 24,706 | -- | --- | -- | -24,706 |
| TOTAL, OTHER AIRCRAFT | | 324,204 | | 299,498 | | -24,706 |
| MODIFICATION OF AIRCRAFT | | | | | | |
| BA-5 MODIFICATION OF AIRCRAFT | | | | | | |
| A-3 SERIES | -- | 1,501 | -- | 1,501 | -- | --- |
| A-4 SERIES | -- | 19,675 | -- | 9,675 | -- | -10,000 |
| A-6 SERIES (MYP) | -- | 379,220 | -- | 375,520 | -- | -3,700 |
| EA-6 SERIES | -- | 39,387 | -- | 36,387 | -- | -3,000 |
| A-7 SERIES | -- | 927 | -- | 927 | -- | --- |
| AV-8 SERIES | -- | 1,490 | -- | 1,490 | -- | --- |
| F-4 SERIES | -- | 4,879 | -- | 3,279 | -- | -1,600 |
| RF-4 SERIES | -- | 1,394 | -- | 1,394 | -- | --- |
| F-14 SERIES | -- | 187,301 | -- | 187,301 | -- | --- |
| F-8 SERIES | -- | 95 | -- | 95 | -- | --- |
| F-5 SERIES | -- | 974 | -- | 974 | -- | --- |
| OV-10 SERIES | -- | 67,473 | -- | 17,573 | -- | -49,900 |
| F-18 MODS | -- | 5,865 | -- | 5,865 | -- | --- |
| H-46 SERIES | -- | 67,919 | -- | 32,219 | -- | -35,700 |
| H-53 SERIES | -- | 22,641 | -- | 22,641 | -- | --- |
| SH-60 SERIES | -- | 3,344 | -- | 1,544 | -- | -1,800 |
| H-1 SERIES | -- | 58,415 | -- | 44,915 | -- | -13,500 |
| H-2 SERIES | -- | 4,185 | -- | 36,485 | -- | +32,300 |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| H-3 SERIES | -- | 38,565 | -- | 27,665 | -- | -10,900 |
| EP-3 SERIES | -- | 47,529 | -- | 47,529 | -- | --- |
| P-3 SERIES | -- | 38,356 | -- | 38,356 | -- | --- |
| S-3 SERIES | -- | 215,395 | -- | 204,295 | -- | -11,100 |
| E-2 SERIES | -- | 41,358 | -- | 41,358 | -- | --- |
| TRAINER A/C SERIES | -- | 6,745 | -- | 6,745 | -- | --- |
| EC-130 SERIES | -- | 16,561 | -- | 13,161 | -- | -3,400 |
| C-130 SERIES | -- | 6,856 | -- | 6,856 | -- | --- |
| FEWSG | -- | 17,214 | -- | 17,214 | -- | --- |
| CARGO/TRANSPORT A/C SERIES | -- | 5,094 | -- | 5,094 | -- | --- |
| VARIOUS | -- | 3,786 | -- | 3,786 | -- | --- |
| POWER PLANT CHANGES | -- | 2,742 | -- | 2,742 | -- | --- |
| MISC FLIGHT SAFETY CHANGES | -- | 947 | -- | 947 | -- | --- |
| COMMON ECM EQUIPMENT | -- | 97,808 | -- | 68,408 | -- | -29,400 |
| COMMON AVIONICS CHANGES | -- | 21,572 | -- | 28,072 | -- | +6,500 |
| TOTAL, MODIFICATION OF AIRCRAFT | | 1,427,213 | | 1,292,013 | | -135,200 |
| AIRCRAFT SPARES AND REPAIR PARTS | | | | | | |
| BA-6 AIRCRAFT SPARES | | | | | | |
| SPARES AND REPAIR PARTS | -- | 1,856,145 | -- | 1,566,445 | -- | -289,700 |
| TOTAL, AIRCRAFT SPARES AND REPAIR PARTS | | 1,856,145 | | 1,566,445 | | -289,700 |
| AIRCRAFT SUPPORT EQUIPMENT AND FACILITIE | | | | | | |
| BA-7 AIRCRAFT SUPPORT EQUIPMENT AND FAC | | | | | | |
| COMMON GROUND EQUIPMENT | -- | 538,603 | -- | 512,903 | -- | -25,700 |
| AIRCRAFT INDUSTRIAL FACILITIES | -- | 32,610 | -- | 32,610 | -- | --- |
| WAR CONSUMABLES | -- | 34,482 | -- | 34,482 | -- | --- |
| OTHER PRODUCTION CHARGES | -- | 50,949 | -- | 50,949 | -- | --- |
| GENERAL REDUCTION | -- | --- | -- | -72,200 | -- | -72,200 |
| GENERAL REDUCTION (BY TRANSFER) | -- | --- | -- | (72,200) | -- | (+72,200) |
| TOTAL, AIRCRAFT SUPPORT EQUIPMENT AND FACILITIE | | 656,644 | | 558,744 | | -97,900 |
| INFLATION SAVINGS, FY87 | -- | --- | -- | -109,100 | -- | -109,100 |
| TOTAL, AIRCRAFT PROCUREMENT, NAVY | | 11,304,300 | | 9,039,452 | | -2,264,848 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (155,574) | | (+155,574) |
| TOTAL FUNDING AVAILABLE | | 11,304,300 | | 9,195,026 | | -2,109,274 |

## COMMITTEE RECOMMENDATIONS

### AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with authorization action:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from request |
|---|---|---|---|
| SH-60B anti-submarine warfare helicopter | $199,651 | 129,251 | −70,400 |
| VH-60 executive support helicopter | 24,706 | | −24,706 |

## COMBAT AIRCRAFT

### A-6E/F ATTACK AIRCRAFT (INTRUDER)

The Navy requested $278,893,000 to procure 11 A-6E/F attack aircraft. The Navy's budget request fails to fully reflect airframe engine and electronic equipment savings; consequently, the Committee recommends a total of $258,793,000 to procure 11 A-6E/F attack aircraft. The budget authority recommendation represents a reduction of $20,100,000 below the budget request.

### AV-8B V/STOL AIRCRAFT (HARRIER)

The Navy requested $623,284,000 for 42 AV-8B aircraft. The budget request for the AV-8B includes funds to procure electronic jammers that would normally be required in fiscal year 1988. Based upon this premature request, the Committee recommends $590,284,000 to procure 42 AV-8B aircraft. The budget authority recommended represents a reduction of $33,000,000 from the budget request.

### F-14A/D FIGHTER AIRCRAFT (TOMCAT)

The Navy requested $541,063,000 to procure 15 F-14A/D fighter aircraft. Since the budget request fails to fully reflect prior year Government furnished equipment and engine savings, the Committee recommends a total of $520,363,000 to procure 15 F-14A/D fighter aircraft. The budget authority recommendation represents a reduction of $20,700,000 from the budget request.

### F/A-18 STRIKE/FIGHTER AIRCRAFT (HORNET)

The Navy requested $2,896,374,000 to procure 120 F/A-18 aircraft. The Committee recommends maintaining a stable procurement funding profile for the F/A-18 aircraft at 84 per year. Additionally, the Navy's request for the F/A-18 fails to fully reflect the savings associated with favorable prior year ancillary equipment contracts, and the slippage in the Airborne Self Protection Jammer (ASPJ) program. Accordingly, the Committee recommends a total of $2,076,174,000 to procure 84 F/A-18 aircraft consisting of $2,049,174,000 in new obligational authority and $27,000,000 in unobligated fiscal year 1986 F/A-18 funds transferred forward to fiscal year 1987. The budget authority recommendation represents a reduction of $847,200,000 from the budget request.

### F/A-18 STRIKE/FIGHTER AIRCRAFT (HORNET)

### (ADVANCE PROCUREMENT)

The Navy requested $405,900,000 for F/A-18 advance procurement. Based upon the Navy's historical advance procurement requirements and the restructuring of the F/A-18 procurement profile, the Committee recommends $143,900,000 for F/A-18 advance procurement, and denies the request for multiyear procurement. The budget authority recommendation represents a reduction of $262,000,000 from the budget request.

### CH-53E HELICOPTER (SUPER STALLION)

The Navy requested $189,034,000 to procure 14 CH-53E heavy lift helicopters. The Navy's budget request fails to fully reflect savings associated with the multiyear procurement. Accordingly, the Committee recommends $174,034,000 for 14 CH-53E helicopters, which represents a reduction of $15,000,000 from the budget request.

### AH-1W ATTACK HELICOPTER (SEA COBRA)

The Navy requested $36,212,000 for AH-1W Sea Cobra attack helicopter. The Committee understands the Marine Corps has an additional need for 34 AH-1W attack helicopters in order to maintain force inventory levels and commonality between the training and operational squadrons. Accordingly, the Committee directs the Department of the Navy to designate $15,000,000 from the fiscal year 1987 AH-1W request of $36,212,000 as advance procurement for an additional buy of AH-1W aircraft in fiscal year 1988. The recommendation represents a decrease of $15,000,000 from the budget request and an increase of $15,000,000 for AH-1W advance procurement.

### SH-60F CARRIER VARIANT HELICOPTER

The Navy requested $138,770,000 to procure seven SH-60F carrier variant helicopters. The Committee believes the Navy's request fails to fully consider the commonality of the SH-60F helicopter to the SH-60B helicopter and the continued productivity improvements and savings associated with the SH-60B helicopter program. Additionally, the Committee believes that it can reasonably be expected that the cost of SH-60F airframe, which is a derivative of the SH-60B, should not exceed the current cost of the SH-60B as significantly as presented in this year's budget request. Accordingly, the Committee recommends $103,770,000 to procure seven SH-60F helicopters which represents a reduction of $35,000,000 from the budget request.

### P-3C ANTISUBMARINE WARFARE PATROL AIRCRAFT (ORION)

The Navy requested $312,388,000 to procure nine P-3C aircraft. The Committee recommends, subject to authorization action, $69,420,000 to procure two P-3C aircraft which may be used to implement U.S. Navy obligations pursuant to the classified Maritime Surveillance Agreement of 1986, which is in accordance with the plan submitted by the Secretary of the Navy. Failure to fund this program will vacate the urgently sought classified Maritime Surveillance Agreement of 1986 and will result in a rapid decline in our Active and Reserve force modernization program which is contingent upon continued P-3C production. The budget authority recommendation represents a decrease of $242,968,000 to the budget request.

### P-3C ANTISUBMAINE WARFARE PATROL AIRCRAFT (ORION)

### (ADVANCE PROCUREMENT)

The Navy requested $93,198,000 for P-3C advance procurement. The Committee recommends the amount requested provided the advance procurement funds are used to support the new P-3G aircraft configuration: specifically, enlarged bombay doors, Update IV electronics and the T-56 engines.

The Committee concurs in the concept of providing more competition and supports the Navy's plan to competitively procure the next version of the P-3C including the incorporation of the competitively developed Update IV avionics system and the concurrent increase in procurement rate commencing with the fiscal year 1989 procurement. The Committee is seriously concerned about any plan that will terminate the production of this aircraft which in the long run could only increase the unit cost.

It is the Committee's position that the implementation of any new acquisition strategy proposed by the Navy should be made part of the budget request for the fiscal year in which the program is proposed to be initiated. This will provide full opportunity for review by the Congress in the annual authorization and appropriation process. To proceed otherwise, including by transfer of funds by the Executive Branch, would preempt full Congressional review and is not considered by the Committee to be a proper approach.

### E-2C EARLY WARNING AIRCRAFT (HAWKEYE)

The Navy requested $286,483,000 to procure six E-2C aircraft. The Navy's budget request does not fully reflect the savings associated with favorable prior year contract awards and foreign military sales. Accordingly, the Committee recommends $280,983,000 for the procurement of six E-2C aircraft. The budget authority recommendation represents a reduction of $5,500,000 below the budget request.

### SH-2F ANTISUBMARINE WARFARE HELICOPTER (SEASPRITE)

The Navy requested $52,798,000 to procure six SH-2F helicopters. The Committee recommends the amount requested provided that the funds are to be used to procure SH-2F aircraft with T-700 engines.

## Trainer Aircraft

### T-45 GOSHAWK

### (ADVANCE PROCUREMENT)

The Navy requested $56,374,000 for the T-45 trainer aircraft advance procurement. The Committee recommends a total of $56,374,000 consisting of no new obligational authority, and $56,374,000 in unobligated fiscal year 1985 and 1986 funds transferred forward to fiscal year 1987. The budget authority recommended represents a reduction of $56,374,000 from the budget request.

## Other Aircraft

### E-6A TACAMO AIRCRAFT

The Navy requested $226,619,000 to procure three E-6A TACAMO aircraft. The Committee, subject to authorization action, recommends $226,619,000 to procure three E-6A TACAMO aircraft.

## Modification of Aircraft

The Navy requested $1,427,213,000 for Modification of Aircraft. In accordance with authorization action, the Committee recommends a net reduction of $59,700,000 to the Modification of Aircraft account. Additionally, the following table reflects reductions, which total $75,500,000 to aircraft modification programs recommended by the Committee because: the Navy has previously requested and received funds for a particular purpose and used the funds for other purposes; the program has been cancelled; the program is not executable in fiscal year 1987; or additional tests and evaluations are required.

| Aircraft series: | *Amount* |
|---|---|
| KA-6 | −$3,700,000 |
| OV-10 | −49,900,000 |
| UH-1N | −1,500,000 |
| AH-1T/J | −12,000,000 |
| EC-130 | −3,400,000 |
| Common avionics | −5,000,000 |
| | −75,500,000 |

The Committee therefore recommmends a total of $1,292,013,000, and includes additional funding for the SH-2F modernization program ($32,300,000) and common avionics modification ($11,500,000) in conformance with authorization action. The budget authority recommendation represents a reduction of $135,200,000 below the budget request.

## Spares and Repair Parts

The Navy budgeted $1,856,145,000 for spares and repair parts. The Committee recommends $1,566,445,000. The changes from the budget are as follows:

| | |
|---|---|
| General reduction (authorization) | −$233,900,000 |
| F/A-18 spares | −44,200,000 |
| SH-60 spares | −9,700,000 |
| Electronic countermeasures jammers | −1,900,000 |
| Total | −289,700,000 |

### AIRCRAFT SUPPORT EQUIPMENT

The Navy requested $656,644,000 for aircraft support equipment which includes common ground support equipment, aircraft industrial facilities, war consumables, and other production charges. Based upon schedule and technical delays along with the rebudgeting for various items of equipment for which funds have already been appropriated, the Committee recommends a total of $630,944,000 to procure aircraft support equipment. The recommended amount is to consist of $558,744,000 in new obligational authority and $72,200,000 in unobligated fiscal year 1986 funds transferred forward to fiscal year 1987. The budget authority recommendation represents a reduction of $97,900,000 below the budget request.

### INFLATION ADJUSTMENT

As discussed in the beginning of the Procurement section of this report, the Committee recommends an inflation adjustment of $109,100,000.

## WEAPONS PROCUREMENT, NAVY

| | |
|---|---|
| Appropriations, 1986 | $5,227,795,000 |
| Adjusted base, 1986 | 4,971,638,000 |
| New obligational authority, 1987: | |
| Estimate | 6,095,400,000 |
| Recommended | 5,047,440,000 |
| Decrease | 1,047,960,000 |
| Total recommended in the bill | [1] 5,208,107,000 |

[1] Includes $5,047,440,000 in new obligational authority, and in addition $160,667,000 in prior year unobligated balances of which $42,900,000 shall be derived by transfer from "Weapons Procurement, Navy, 1985/1987"; and $117,767,000 shall be derived by transfer from "Weapons Procurement, Navy, 1986/1988."

This appropriation finances the procurement of strategic and tactical missiles, target drones, torpedoes, guns, associated support equipment, and the modification of in-service missiles, torpedoes, and guns.

### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program for fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

|  | BUDGET REQUEST QTY | BUDGET REQUEST AMOUNT | COMMITTEE RECOMMENDED QTY | COMMITTEE RECOMMENDED AMOUNT | CHANGE FROM REQUEST QTY | CHANGE FROM REQUEST AMOUNT |
|---|---|---|---|---|---|---|
| WEAPONS PROCUREMENT, NAVY |  |  |  |  |  |  |
| BALLISTIC MISSILES |  |  |  |  |  |  |
| POSEIDON | -- | 3,974 | -- | 3,974 | -- | --- |
| TRIDENT I | -- | 4,739 | -- | 4,739 | -- | --- |
| TRIDENT II | 21 | 1,124,439 | 21 | 1,124,439 | -- | --- |
| TRIDENT II (AP-CY) | -- | 300,000 | -- | 300,000 | -- | --- |
| MODIFICATION OF MISSILES |  |  |  |  |  |  |
| UGM-73A (C-3) POSEIDON MODS | -- | 95 | -- | 95 | -- | --- |
| SUPPORT EQUIPMENT AND FACILITIES |  |  |  |  |  |  |
| MISSILE INDUSTRIAL FACILITIES | -- | 3,790 | -- | 3,790 | -- | --- |
| TOTAL, BALLISTIC MISSILES |  | 1,437,037 |  | 1,437,037 |  | --- |
| OTHER MISSILES |  |  |  |  |  |  |
| STRATEGIC MISSILES |  |  |  |  |  |  |
| BGM-109 TOMAHAWK | 324 | 721,736 | 324 | 581,736 | -- | -140,000 |
| BGM-109 TOMAHAWK (BY TRANSFER) | -- | --- | -- | (61,800) | -- | (+61,800) |
| BGM-109 TOMAHAWK (AP-CY) | -- | 68,800 | -- | 68,800 | -- | --- |
| TACTICAL MISSILES |  |  |  |  |  |  |
| AIM/RIM-7 F/M SPARROW | 1,716 | 279,394 | 1,716 | 259,094 | -- | -20,300 |
| AIM/RIM-7 F/M SPARROW (BY TRANSFER) | -- | --- | -- | (16,800) | -- | (+16,800) |
| AIM-9L/M SIDEWINDER | 627 | 46,977 | 627 | 46,277 | -- | -700 |
| AIM-9L/M SIDEWINDER (AP-CY) | -- | 17,641 | -- | --- | -- | -17,641 |
| AIM-54A/C (PHOENIX) | 205 | 289,272 | 205 | 119,522 | -- | -169,750 |
| AIM-54A/C (PHOENIX) (BY TRANSFER) | -- | --- | -- | (39,750) | -- | (+39,750) |
| AIM-54A/C (PHOENIX) (AP-CY) | -- | 28,400 | -- | 18,583 | -- | -9,817 |
| AIM-54A/C (PHOENIX) (AP-CY) (BY TRANSFER) | -- | --- | -- | (9,817) | -- | (+9,817) |
| AGM-84A HARPOON | 94 | 128,387 | 94 | 128,387 | -- | --- |
| AGM-84A HARPOON (AP-CY) | -- | 11,476 | -- | --- | -- | -11,476 |
| AGM-88A HARM (MYP) | 1,110 | 256,682 | 1,110 | 256,682 | -- | --- |
| SM-2 MR | 844 | 513,611 | 844 | 513,611 | -- | --- |
| SM-2 ER | 350 | 217,017 | 350 | 217,017 | -- | --- |
| RAM | 50 | 63,209 | -- | --- | -50 | -63,209 |
| STINGER | 685 | 51,940 | 685 | 39,740 | -- | -12,200 |
| SIDEARM | 256 | 22,858 | 256 | 22,858 | -- | --- |
| LASER MAVERICK | 1,800 | 198,791 | 1,500 | 165,691 | -300 | -33,100 |
| IIR MAVERICK | 419 | 52,055 | 195 | 24,255 | -224 | -27,800 |
| AERIAL TARGETS | -- | 97,386 | -- | 97,386 | -- | --- |
| DRONES AND DECOYS | -- | 36,136 | -- | 36,136 | -- | --- |
| OTHER MISSILE SUPPORT | -- | 22,017 | -- | 11,517 | -- | -10,500 |
| MODIFICATION OF MISSILES |  |  |  |  |  |  |
| TOMAHAWK MODS | -- | 7,235 | -- | 7,235 | -- | --- |
| AIM/RIM-7E/F SPARROW MOD | -- | 1,233 | -- | 1,233 | -- | --- |
| AIM-9 SIDEWINDER MOD | -- | 3,131 | -- | 3,131 | -- | --- |
| STANDARD MISSILES MOD | -- | 2,093 | -- | 2,093 | -- | --- |
| SUPPORT EQUIPMENT AND FACILITIES |  |  |  |  |  |  |
| WEAPONS INDUSTRIAL FACILITIES | -- | 7,490 | -- | 7,490 | -- | --- |
| FLEET SATELLITE COMMUNICATIONS | -- | 65,130 | -- | 65,130 | -- | --- |
| ORDNANCE SUPPORT EQUIPMENT |  |  |  |  |  |  |
| ORDNANCE SUPPORT EQUIPMENT | -- | 132,958 | -- | 108,025 | -- | -24,933 |
| TOTAL, OTHER MISSILES |  | 3,343,063 |  | 2,801,637 |  | -541,426 |
| TORPEDOES AND RELATED EQUIPMENT |  |  |  |  |  |  |
| TORPEDO MK-48 ADCAP | 227 | 508,370 | 50 | 214,770 | -177 | -293,600 |
| ASUW TORPEDO | 34 | 16,995 | -- | --- | -34 | -16,995 |
| TORPEDO MK-46 (MYP) | 500 | 74,061 | 500 | 38,161 | -- | -35,900 |
| TORPEDO MK-46 (MYP) (BY TRANSFER) | -- | --- | -- | (22,500) | -- | (+22,500) |
| TORPEDO MK-46 (MYP) (AP-CY) | -- | 23,800 | -- | 23,800 | -- | --- |
| MK-50 ADV LIGHTWEIGHT TORPEDO | 84 | 109,937 | -- | 19,387 | -84 | -90,550 |
| MK-60 CAPTOR | -- | --- | 130 | 59,500 | +130 | +59,500 |
| ASROC | -- | 13,597 | -- | 13,597 | -- | --- |
| VERTICAL LAUNCHED ASROC | 200 | 74,289 | -- | 21,000 | -200 | -53,289 |
| MOD OF TORPEDOES AND RELATED EQUIP |  |  |  |  |  |  |
| TORPEDO MK-46 MODS | 672 | 76,975 | 672 | 60,475 | -- | -16,500 |
| TORPEDO MK-46 MODS (BY TRANSFER) | -- | --- | -- | (10,000) | -- | (+10,000) |
| TORPEDO MK-46 MODS (AP-CY) | -- | 5,200 | -- | 5,200 | -- | --- |
| CAPTOR MODS | -- | 11,619 | -- | 11,619 | -- | --- |
| SWIMMER WEAPON SYSTEM | -- | 3,911 | -- | 3,911 | -- | --- |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| SUPPORT EQUIPMENT | | | | | | |
| TORPEDO SUPPORT EQUIPMENT | -- | 32,496 | -- | 32,496 | -- | --- |
| ASW RANGE SUPPORT | -- | 20,114 | -- | 20,114 | -- | --- |
| TOTAL, TORPEDOES AND RELATED EQUIPMENT | | 971,364 | | 524,030 | | -447,334 |
| OTHER WEAPONS | | | | | | |
| GUNS AND GUN MOUNTS | | | | | | |
| MK-15 CLOSE IN WEAPONS SYSTEM | 27 | 105,606 | 27 | 105,606 | -- | --- |
| MK-75 76MM GUN MOUNT | 5 | 14,075 | 5 | 14,075 | -- | --- |
| MK-19/40MM MACHINE GUN | 25 | 632 | 25 | 632 | -- | --- |
| 25MM GUN MOUNT | 22 | 3,919 | 22 | 3,919 | -- | --- |
| SMALL ARMS AND WEAPONS | -- | 10,082 | -- | 10,082 | -- | --- |
| MODIFICATION OF GUNS AND GUN MOUNTS | | | | | | |
| CIWS MODS | -- | 42,965 | -- | 42,965 | -- | --- |
| 5 /54 GUN MOUNT MODS | -- | 6,128 | -- | 6,128 | -- | --- |
| 3"/50 GUN MOUNT MODS | -- | 1,637 | -- | 1,637 | -- | --- |
| MK 75 76MM GUN MOUNT MODS | -- | 4,101 | -- | 4,101 | -- | --- |
| MODS UNDER $900,000 | -- | 2,384 | -- | 2,384 | -- | --- |
| SUPPORT EQUIPMENT | | | | | | |
| GUN SUPPORT EQUIPMENT | -- | 873 | -- | 873 | -- | --- |
| TOTAL, OTHER WEAPONS | | 193,202 | | 193,202 | | --- |
| SPARES AND REPAIR PARTS | -- | 150,734 | -- | 150,734 | -- | --- |
| INFLATION SAVINGS, FY87 | -- | --- | -- | -59,200 | -- | -59,200 |
| TOTAL, WEAPONS PROCUREMENT, NAVY | | 6,095,400 | | 5,047,440 | | -1,047,960 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (160,667) | | (+160,667) |
| TOTAL FUNDING AVAILABLE | | 6,095,400 | | 5,208,107 | | -887,293 |

## Committee Recommendations

### Authorization Changes

The Committee recommends the following changes in the budget estimate, in accordance with authorization action:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from request |
|---|---|---|---|
| AIM/RIM-7F/M Sparrow | $279,394 | 259,094 | −20,300 |
| AIM-9L/M Sidewinder missile (AP-CY) | 17,641 | | −17,641 |
| AGM-84A Harpoon missile (AP-CY) | 11,476 | | −11,476 |
| RAM | 63,209 | | −63,209 |
| Stinger | 51,940 | 39,740 | −12,200 |
| IIR Maverick | 52,055 | 24,255 | −27,800 |
| Other missile support | 22,017 | 11,517 | −10,500 |
| ASUW torpedo | 16,995 | | −16,995 |
| MK-60 Captor | | 59,500 | +59,500 |

## Other Missiles

### Strategic Missiles

#### BGM-109 TOMAHAWK

The Navy requested $721,736,000 for 324 BGM-109 Tomahawk missiles. Contract savings of $61,800,000 have been identified in the 1986 program which can be applied to 1987. In addition, projection of 1986 contract prices to the 1987 program results in funding requirements lower than the budget request by $78,200,000. Accordingly, the Committee recommends $581,736,000 for 324 BGM-109 Tomahawk missiles, a reduction of $140,000,000 from the budget request, offset in part by a transfer of $61,800,000 of prior year funds.

### Tactical Missiles

#### AIM/RIM-7 SPARROW

The Navy requested $279,394,000 for 1,716 AIM/RIM-7 Sparrow missiles. The Committee concurs in the reduction of $20,300,000 made by authorization action. The Committee is advised that this reduction can be partially offset by a transfer of $16,800,000 of available prior year funds, and recommends said transfer.

#### AIM-9 SIDEWINDER

The Navy requested $46,977,000 for 627 AIM-9 Sidewinder missiles. Projection of 1986 contract prices to the 1987 program results in funding requirements lower than the budget request by $700,000. Accordingly, the Committee recommends $46,277,000 for 627 AIM-9 Sidewinder missiles, a reduction of $700,000 from the budget request.

### AIM-54C PHOENIX

The Navy requested $289,272,000 to procure 205 AIM-54C Phoenix missiles.

A recent agreement was made by the Navy and the contractor on not-to-exceed prices for the missiles being procured in the 1985 and 1986 programs. Calculation of new costs reveals that a total of $39,750,000 of prior year funds are excess, and can be applied to the 1987 program.

The budget request included $130,000,000 for a directed buy to a proposed second source. Last year, the Committee stated its strong reservations concerning this proposal, because convincing economic justification was lacking which demonstrated that second sourcing would save more money than it cost. Subsequently, the Committee of Conference directed the Navy to justify its request by submitting its Phase II analysis of Phoenix second sourcing, supported by an OSD CAIG review of the analysis, and by written proposals from the prospective second source suppliers. The required documentation has not been submitted. Accordingly, the Committee denies the request for $130,000,000 for Phoenix second sourcing. The Committee notes that the direction contained in the report of the Committee of Conference for fiscal year 1986 remains in effect.

The Committee recommends a total of $119,522,000 for 205 Phoenix missiles, a reduction of $169,750,000, offset in part by a transfer of $39,750,000 of prior year funds.

### AIM-54C PHOENIX

### (ADVANCE PROCUREMENT)

The Navy requested $28,400,000 for Phoenix Advance Procurement. It appears to the Committee that some of the funds provided in 1986 for this purpose can be made available for 1987, because fewer missiles will be procured in 1987 than formerly were planned. The Committee recommends $18,583,000 for Phoenix Advance Procurement, a reduction of $9,817,000, offset by a transfer of prior year funds.

### AGM-84A HARPOON

The Navy requested $128,387,000 for 94 AGM-84A Harpoon missiles. The Committee recommends the budgeted amount.

The Navy proposes to divert 19 of the 94 missiles for use as a new Standoff Land Attack Missile (SLAM). However, the first RDT&E funds to support a SLAM program are contained in the fiscal year 1987 budget, making procurement proposals highly premature. It is clear that considerable integration and testing will be required before SLAM will be ready for production. The Committee specifically disapproves the diverting of Harpoons for use as SLAMs. Future proposals to procure SLAMs will be entertained by the Committee following submission of adequate flight test data gathered during the execution of the development program.

### QUALIFICATION OF DOMESTIC SOURCE FOR MK-104 ROCKET NOZZLE

The Committee is advised that the rocket nozzle used in the Standard missile is currently acquired on a sole source basis from a foreign producer. There is ample domestic capability to produce this component; however, efforts to qualify domestic sources for production have been delayed.

In the interests of both competition and the establishment of a U.S. production base, the Committee directs the Navy to expedite its qualification of a domestic source for production of the rocket nozzle, and to compete this component in the FY 1987 procurement.

### LASER MAVERICK

The Navy requested $198,791,000 for 1,800 Laser Maverick missiles. The Committee finds that holding 1987 production to the 1986 level of 1,500 missiles is preferable, particularly because 1988 is planned to be the last year of production funding. Accordingly, the Committee recommends $165,691,000 for 1,500 Laser Maverick missiles, a reduction of $33,100,000 and 300 missiles from the budget request.

## OTHER MISSILE SUPPORT

### ORDNANCE SUPPORT EQUIPMENT

For reasons explained in a classified letter to the Secretary of Defense, the Committee recommends a reduction of $24,933,000 from the budget request of $132,958,000 for Ordnance Support Equipment.

## TORPEDOES AND RELATED EQUIPMENT

### MK-48 ADCAP

The Navy requested $508,370,000 to procure 227 MK-48 ADCAP torpedoes of which 177 were to be procured from the current prime contractor and 50 were to be procured as qualification torpedoes from a second source. The Navy recently has had a series of significant testing problems which will substantially delay the award of the fiscal year 1986 contract to the current prime contractor, making a fiscal year 1987 procurement improbable. Accordingly, the Committee recommends $214,770,000 to procure 50 MK-48 ADCAP torpedoes in order to continue its second source qualification. If the Navy is unable to negotiate a reasonable price with the current prime contractor for fiscal year 1986 funded procurement, consideration should be given to purchasing additional torpedoes from the second source. The current contract provides flexibility to purchase a larger quantity of torpedoes from the second source. The budget authority recommendation represents a reduction of $293,600,000 from the budget request.

### MK-46 TORPEDO

The Navy requested $74,061,000 to procure 500 MK-46 torpedoes under a multiyear contract. The Navy's request fails to fully reflect the current contract cost experience in the MK-46 multiyear program. Accordingly, the Committee recommends a total of $60,661,000 to procure 500 MK-46 torpedoes, consisting of $38,161,000 in new obligational authority, and $22,500,000 in fiscal year 1985 and 1986 MK-46 torpedo funds transferred forward to fiscal year 1987. The budget authority recommendation represents a reduction of $35,900,000 from the budget request.

### MK-50 ADVANCE LIGHTWEIGHT TORPEDO

The Navy requested $109,937,000 for low rate initial procurement of 84 MK-50 torpedoes. The Committee has been advised that there is a significant shortfall in Research and Development (R&D) funding which has resulted in a 25 percent reduction in the number of sea tests and a 46 percent reduction in the number of full scale development torpedoes. The Committee is concerned that these reductions could significantly increase the technical risk in the program.

The Committee continues to strongly endorse the MK-50 program. However, due to the aforementioned issues, the Committee recommends a total of $19,387,000 for MK-50 for production start-up costs and costs associated with qualifying a second source. The Committee also is recommending that $40,000,000 of this procurement request be added to the MK-50 Research and Development account to cover current funding shortfalls in order to conduct the original number of sea tests, and to procure the originally planned number of full-scale development torpedoes. This issue is discussed in more detail in the R&D section of the report.

The Commmittee recommendation represents a reduction of $90,550,000 below the budget request and an increase of $40,000,000 for MK-50 research and development which is discussed later in this report.

### VERTICAL LAUNCHED ASROC

The Navy requested $74,289,000 to procure 200 Vertical Launched ASROC systems. The request represents a new start procurement program which has over 40 percent of its research and development to be funded. Recent test failures have caused future tests to slip several months. Full-scale development is not scheduled to be completed until 1989, and a full production decision is not scheduled until March 1989. The Committee believes that procurement of the Vertical Launched ASROC is premature, however, it is recognized that a portion of the request is to qualify a second source. Accordingly, the Committee recommends $21,000,000 for the Vertical Launched ASROC program, for second source qualification, which represents a reduction of $53,289,000 from the budget request.

## MODIFICATION OF TORPEDOES AND RELATED EQUIPMENT

### MK-46 TORPEDO MODIFICATION

The Navy requested $76,975,000 to modify 672 MK-46 torpedoes under a multiyear contract. Since the Navy's estimate fails to fully reflect revised cost estimates associated with the MK-46 torpedo program, the Committee recommends a total of $70,475,000 to procure 672 MK-46 modification kits, consisting of $60,475,000 in new obligational authority and $10,000,000 in unobligated fiscal year 1986 MK-46 modification funds transferred forward to fiscal year 1987. The budget authority recommendation represents a reduction of $16,500,000 from the budget request.

### INFLATION ADJUSTMENT

As discussed in the beginning of the Procurement section of this report, the Committee recommends an inflation adjustment of $59,200,000.

## SHIPBUILDING AND CONVERSION, NAVY

| | |
|---|---|
| Appropriations, 1986 | $10,800,300,000 |
| Adjusted base, 1986 | 10,310,241,000 |
| New obligational authority, 1987: | |
| Estimate | 11,046,200,000 |
| Recommended | 9,213,100,000 |
| Decrease | 1,833,100,000 |
| Total recommended in the bill | [1] 10,115,700,000 |

[1] Includes $9,213,100,000 in new obligational authority, and in addition, $902,600,000 in prior year unobligated balances of which $46,800,000 is to be derived by transfer from "Shipbuilding and Conversion, Navy, 1982/1986"; $328,600,000, "Shipbuilding and Conversion, Navy, 1983/1987"; $67,900,000, "Shipbuilding and Conversion, Navy, 1984/1988"; $19,000,000, "Shipbuilding and Conversion, Navy, 1985/1989"; and $440,300,000, "Shipbuilding and Conversion, Navy, 1986/1990".

This appropriation finances the construction of new ships and the purchase and the conversion of existing ships, including hull, mechanical, and electrical equipment, electronics, guns, torpedo and missile launching systems, and communications systems.

### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following programs for fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

|  | BUDGET REQUEST |  | COMMITTEE RECOMMENDED |  | CHANGE FROM REQUEST |  |
|---|---|---|---|---|---|---|
|  | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| SHIPBUILDING AND CONVERSION, NAVY |  |  |  |  |  |  |
| FLEET BALLISTIC MISSILE SHIPS |  |  |  |  |  |  |
| BA-1 FLEET BALLISTIC MISSILE SHIPS |  |  |  |  |  |  |
| TRIDENT (NUCLEAR) | 1 | 1,362,700 | 1 | 1,362,700 | -- | --- |
| TRIDENT (NUCLEAR) (AP-CY) | -- | 146,400 | -- | 146,400 | -- | --- |
| TOTAL, FLEET BALLISTIC MISSILE SHIPS |  | 1,509,100 |  | 1,509,100 |  | --- |
| OTHER WARSHIPS |  |  |  |  |  |  |
| BA-2 OTHER WARSHIPS |  |  |  |  |  |  |
| SSN-688 CLASS SUBMARINE (NUCLEAR) | 4 | 2,047,800 | 4 | 1,785,100 | -- | -262,700 |
| SSN-688 CLASS SUBMARINE (NUCLEAR) (BY TRANSFER) | -- | --- | -- | (181,600) | -- | (+181,600) |
| SSN-688 CLASS SUBMARINE (NUCLEAR) (AP-CY) | -- | 284,800 | -- | 284,800 | -- | --- |
| SSN-21 | -- | 454,300 | -- | 187,800 | -- | -266,500 |
| CV SLEP (AP-CY) | -- | 83,500 | -- | 83,500 | -- | --- |
| CG-47 AEGIS CRUISER (MYP) | 2 | 1,913,800 | 2 | 1,876,800 | -- | -37,000 |
| CG-47 AEGIS CRUISER (MYP) (BY TRANSFER) | -- | --- | -- | (20,000) | -- | (+20,000) |
| CG-47 AEGIS CRUISER (MYP) (AP-CY) | -- | 10,500 | -- | 10,500 | -- | --- |
| DDG-51 (MYP) | 3 | 2,448,000 | 3 | 2,348,000 | -- | -100,000 |
| DDG-51 (MYP) (AP-CY) | -- | 79,800 | -- | 79,800 | -- | --- |
| TOTAL, OTHER WARSHIPS |  | 7,322,500 |  | 6,656,300 |  | -666,200 |
| AMPHIBIOUS SHIPS |  |  |  |  |  |  |
| BA-3 AMPHIBIOUS SHIPS |  |  |  |  |  |  |
| LHD-1 AMPHIBIOUS ASSAULT SHIP (MYP) (AP-CY) | -- | 232,000 | -- | 232,000 | -- | --- |
| LPD-4 SLEP | -- | 23,100 | -- | --- | -- | -23,100 |
| TOTAL, AMPHIBIOUS SHIPS |  | 255,100 |  | 232,000 |  | -23,100 |
| MINE WARFARE AND PATROL SHIPS |  |  |  |  |  |  |
| BA-4 MINE WARFARE + PATROL SHIPS |  |  |  |  |  |  |
| MSH-1 COASTAL MINE HUNTER | 4 | 196,100 | -- | --- | -4 | -196,100 |
| MSH-1 COASTAL MINE HUNTER (BY TRANSFER) | -- | --- | -- | (100,000) | -- | (+100,000) |
| TOTAL, MINE WARFARE AND PATROL SHIPS |  | 196,100 |  | --- |  | -196,100 |
| AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGR |  |  |  |  |  |  |
| BA-5 AUXILIARIES, CRAFT + PY PROG COSTS |  |  |  |  |  |  |
| TAO FLEET OILER | 2 | 275,500 | 2 | 209,600 | -- | -65,900 |
| TAO FLEET OILER (BY TRANSFER) | -- | --- | -- | (49,400) | -- | (+49,400) |
| AO (JUMBO) | 1 | 62,300 | -- | --- | -1 | -62,300 |
| TAGOS SURTASS SHIPS | 3 | 148,100 | 3 | 148,100 | -- | --- |
| AOE | 1 | 612,700 | 1 | 181,100 | -- | -431,600 |
| AOE (BY TRANSFER) | -- | --- | -- | (318,600) | -- | (+318,600) |
| OCEANOGRAPHIC RESEARCH SHIP | 1 | 33,000 | 1 | --- | -- | -33,000 |
| OCEANOGRAPHIC RESEARCH SHIP (BY TRANSFER) | -- | --- | -- | (33,000) | -- | (+33,000) |
| SERVICE CRAFT | -- | 39,900 | -- | --- | -- | -39,900 |
| SERVICE CRAFT (BY TRANSFER) | -- | --- | -- | (74,900) | -- | (+74,900) |
| LANDING CRAFT | -- | 19,000 | -- | --- | -- | -19,000 |
| LANDING CRAFT (BY TRANSFER) | -- | --- | -- | (19,000) | -- | (+19,000) |
| STRATEGIC SEALIFT | -- | 27,800 | -- | --- | -- | -27,800 |
| STRATEGIC SEALIFT (BY TRANSFER) | -- | --- | -- | (45,000) | -- | (+45,000) |
| SEALIFT ENHANCEMENT | -- | 20,700 | -- | --- | -- | -20,700 |
| OUTFITTING | -- | 226,100 | -- | 226,100 | -- | --- |
| POST DELIVERY | -- | 167,800 | -- | 159,300 | -- | -8,500 |
| SHIP CONTRACT DESIGN | -- | 69,400 | -- | --- | -- | -69,400 |
| TACS CRANE SHIP | 2 | 61,100 | 2 | --- | -- | -61,100 |
| TACS CRANE SHIP (BY TRANSFER) | -- | --- | -- | (61,100) | -- | (+61,100) |
| TOTAL, AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGR |  | 1,763,400 |  | 924,200 |  | -839,200 |
| INFLATION SAVINGS, FY87 | -- | --- | -- | -108,500 | -- | -108,500 |
| TOTAL, SHIPBUILDING AND CONVERSION, NAVY |  | 11,046,200 |  | 9,213,100 |  | -1,833,100 |
| TRANSFER FROM OTHER ACCOUNTS |  | --- |  | (902,600) |  | (+902,600) |
| TOTAL FUNDING AVAILABLE |  | 11,046,200 |  | 10,115,700 |  | -930,500 |

## COMMITTEE RECOMMENDATIONS

### AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with authorization action:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from request |
|---|---|---|---|
| LPD-4 SLEP | 23,100 | | -23,100 |
| AO conversion | 62,300 | | -62,300 |

## OTHER WARSHIPS

### SSN-688 ATTACK SUBMARINE

The Navy requested $2,047,800,000 to procure four SSN-688 attack submarines. Since the Navy's request fails to fully reflect continued demonstrated savings for basic construction, prior year contract savings, and lower than anticipated inflation, the Committee recommends a total of $1,966,700,000, consisting of $1,785,100,000 in new obligational authority and $181,600,000 in unobligated fiscal year 1986 SSN-688 funds transferred forward to fiscal year 1987. The budget authority recommendation represents a reduction of $262,700,000 below the budget request.

### SSN-21

### (ADVANCE PROCUREMENT)

The Navy requested $454,300,000 for SSN-21 advance procurement. This request represents the Navy's initial requirement for SSN-21 procurement funds while over $1,340,000,000 in then year dollars of the Research and Development remains to be funded. The request for advance procurement funding is intended to procure long lead nuclear components, shipbuilder materials, improvements to the turbine generator and to commence detail design. The Committee believes the Navy's request is premature in that approximately $266,500,000 of this year's request is for nuclear propulsion equipment, yet over $588,000,000 in Research and Development funding is required between fiscal years 1987 and 1992. Additionally, the General Accounting Office found that the costs associated with the nuclear plant equipment and turbine generators are substantially greater than the equipment being purchased for the SSN-668 class. Considering these factors, the Committee recommends $187,800,000 for SSN-21 advance procurement which represents a reduction of $266,500,000 from the budget request.

### CG-47 AEGIS CRUISER

The Navy requested $1,913,800,000 to procure two CG-47 AEGIS cruisers. In light of the fact that the Navy's budget request fails to fully reflect favorable prior year contract negotiations, the Committee recommends a total of $1,896,800,000, consisting of $1,876,800,000 in new obligational authority and $20,000,000 in unobligated fiscal year 1986 CG-47 funds transferred forward to fiscal year 1987. The budget authority recommendation represents a reduction of $37,000,000 below the budget request.

### DDG-51 DESTROYER

The Navy requested $2,448,000,000 to procure three DDG-51 destroyers. The Navy's request fails to fully reflect the savings associated with Vertical Launch System hardware, the cancellation of the SEAFIRE system, and the introduction of a second source shipbuilder. The Committee therefore recommends a total of $2,348,000,000 which represents a reduction of $100,000,000 below the budget request.

Additionally, the Committee believes the Navy's selection of the solid state frequency converter ensures the continuation of the existing industrial base and directs that the Navy take into consideration the following factors when awarding the contract for the frequency converter: AEGIS combat load demands, dynamic performance, survivability, and total costs, including acquisition, lifecycle, space and weight considerations and ship reconfiguration costs.

## MINE WARFARE AND PATROL SHIPS

### MSH—COASTAL MINE HUNTER

The Navy requested $196,100,000 to procure four MSH-1 Coastal Mine Hunter ships. In conformance with authorization action, the Committee recommends that the funds for this request be denied. The Committee is very concerned over the technical problems, delivery slippages, and cost overruns in the Coastal Mine Hunter ship program and the resulting shortcomings in our mine countermeasures capability.

The Navy is currently working with a foreign shipyard to develop a Coastal Mine Hunter contract design for the U.S. Navy. This shipbuilder has considerable experience in constructing, testing, and delivering a number of minesweepers of varying designs. The Navy plans, although not finalized, call for the construction of the lead ship overseas as well as the involvement of two U.S. shipyards from the onset. It is the Navy's intent that the two U.S. shipyards would then compete for the follow-on Coastal Mine Hunter ship construction. The Committee does not interpose any major objections to this approach; however, a number of issues remain unresolved and the lack of definitized plans concerns the Committee. The Committee believes that the procurement of Coastal Mine Hunter vessels at the earliest practicable date is of critical importance to the nation's defense needs. While the Committee looks favorably upon a Navy plan which will result in minimizing the technical cost and schedule risks inherent in lead ship construction, it expects that the involvement of the U.S. shipbuilding industry will be maximized. The Committee, at this point, desires to receive greater assurance that the Navy has thoroughly considered all the implications associated with contracting with a foreign shipyard to construct a Coastal Mine Hunter since it has little experience in this area. As a possible means of reducing costs, the Committee supports that the contract design submitted by the runner-up (which was a modification to the foreign design being considered) in the earlier MSH-1 competition should be closely evaluated and compared to the Navy's current plans to determine whether this design would involve a lesser degree of technical risk and provide a more expedient delivery of a Coastal Mine Hunter to the fleet while maximizing competition within the United States shipbuilding industry. The Committee directs the Navy to report its findings to the Committee within 45 days after the printing and issuance of this report.

If the Navy's final decision is to continue its efforts with the foreign shipyard, the Committee directs the Secretary of the Navy to certify, in writing, that the purchase of one foreign Coastal Mine Hunter ship responds to an urgent national security requirement and the Navy's evaluation determined that no United States shipbuilder has the capability to meet that requirement in a similar timeframe.

Since prior year MSH funds remain unobligated, the Committee recommends that $100,000,000 of the fiscal year 1986 MSH Coastal Mine Hunter appropriation be made available for the detail design and construction of the approved Coastal Mine Hunter ship. However, a waiver of title 10 U.S.C. section 7309 is not considered to be appropriate until the aforementioned direction has been executed. It is the Committee's view that any Navy plans for foreign construction of an MSH Coastal Mine Hunter is a one-time exception to the aforementioned legislation and would involve the construction of one MSH Coastal Mine Hunter in a foreign shipyard.

With respect to the fiscal year 1984 MSH-1 ship, the Committee believes that because of the technical, cost, and schedule problems associated with this ship the Navy should take this opportunity to evaluate whether or not it should continue to proceed further. The Committee believes that in its evaluation the Navy should consider redesignating MSH-1 to a research and development advanced technology craft program and consider eliminating the mine hunting features and characteristics and concentrate on taking full advantage of the surface effect ship (SES), glass reinforced plastic characteristics as an advanced research ship.

## AUXILIARIES, CRAFT AND PRIOR YEAR PROGRAMS

### T-AO FLEET OILER

The Navy requested $275,500,000 to procure two T-AO fleet oilers. The Navy's budget request, however, fails to fully reflect savings associated with favorable prior year negotiations, continued productivity improvements related to the previously funded T-AO's, an increased competitive environment, and reduced inflation. The Committee, therefore, recommends a total of $259,000,000, consisting of $209,600,000 in new obligational authority and $49,400,000 in unobligated T-AO funds transferred forward to fiscal year 1987.

| Fiscal year: | |
|---|---|
| 1982 | $2,800,000 |
| 1983 | 2,800,000 |

| | |
|---|---|
| 1984 | 7,100,000 |
| 1985 | 11,000,000 |
| 1986 | 25,700,000 |
| Total | 49,400,000 |

The budget authority recommendation represents a reduction of $65,900,000 below the budget request.

### AOE FAST COMBAT SUPPORT SHIP

The Navy requested $612,700,000 to procure one AOE fast combat support ship. The Committee believes that the Navy's current cost estimate is significantly overstated based upon a comparative cost analysis between the proposed AOE and other comparable ships. Additionally, the Navy's estimate does not fully reflect the increased competitive environment and lower inflation. The Committee therefore recommends a total of $499,700,000 for one AOE fast combat support ship, consisting of $181,100,000 in new obligational authority, and $318,600,000 in unobligated shipbuilding funds transferred forward to fiscal year 1987 as follows:

| Fiscal year: | |
|---|---|
| 1982 | $3,000,000 |
| 1983 | 279,600,000 |
| 1984 | 15,000,000 |
| 1985 | 8,000,000 |
| 1986 | 13,000,000 |
| Total | 318,600,000 |

The budget authority recommendation represents a reduction of $431,600,000 below the budget request.

### OCEANOGRAPHIC RESEARCH SHIP

The Navy requested $33,000,000 to procure one oceanographic research ship. The Committee recommends a total of $33,000,000, consisting of no new obligational authority and $25,000,000 in unobligated fiscal year 1982 FFG-7 funds and $8,000,000 in unobligated fiscal year 1986 outfitting funds transferred forward to fiscal year 1987. The budget authority recommendation represents a reduction of $33,000,000 below the budget request.

### SERVICE CRAFT

The Navy requested $39,900,000 for service craft. The Committee recommends a total of $74,900,000, consisting of no new obligational authority and $74,900,000 in unobligated shipbuilding funds transferred forward to fiscal year 1987. The Navy has developed a plan to convert civilian fishing vessels into coastal hydrographic vessels. The Committee believes that the current market provides an opportunity to obtain used vessels at very reasonable prices, particularly if the Navy does not limit the conversion candidates to solely fishing vessels. The Committee is therefore recommending that $35,000,000 of the total amount provided in prior year funds be used to start this program provided that all vessels be purchased on a competitive basis. The recommended transfers are as follows:

| | |
|---|---|
| Fiscal year 1983: T-AH | $9,000,000 |

| | |
|---|---|
| Fiscal year 1984: | |
| T-AH | 4,900,000 |
| Cost growth | 23,000,000 |
| Fiscal year 1986: | |
| MSH coastal mine hunter | 35,000,000 |
| Service craft | 3,000,000 |
| Total | 74,900,000 |

The budget authority recommendation represents a reduction of $39,900,000 below the budget request.

## LANDING CRAFT

The Navy requested $19,000,000 to procure one Special Warfare Craft-Medium. The Committee recommends a total of $19,000,000 to procure one Special Warfare Craft, consisting of no new obligational authority and $19,000,000 in unobligated fiscal year 1982 and 1983 T-AKR funds transferred forward to fiscal year 1987. The budget authority recommendation represents a reduction of $19,000,000 below the budget request. Because of the technical, cost and schedule problems associated with the lead craft, the Committee directs that the Special Warfare Craft be procured on a competitive basis. In this regard, the Navy should consider off-the-shelf technology, similar to the Coast Guard's procurement of surface effect ships.

## STRATEGIC SEALIFT

The Navy requested $27,800,000 for the Strategic Sealift program. The Committee recommends a total of $45,000,000, consisting of no new obligational authority and $45,000,000 in unobligated funds transferred forward to fiscal year 1987 to procure handy-sized tankers for the strategic sealift program. The recommended transfers are as follows:

| | |
|---|---|
| Fiscal year 1982: Cost growth | $6,000,000 |
| Fiscal year 1983: | |
| ARS | 3,000,000 |
| Cost growth | 8,000,000 |
| Post delivery | 4,000,000 |
| Battleship | 6,800,000 |
| Fiscal year 1986: MSH coastal mine hunter | 17,200,000 |
| Total | 45,000,000 |

The budget authority recommendation represents a decrease of $27,800,000 from the budget request.

## SEALIFT ENHANCEMENT

The Navy requested $20,700,000 for the sealift enhancement program. Based upon the Navy's lack of definitive plans for the sealift enhancement program the Committee recommends that the request be denied.

## POST DELIVERY

The Navy requested $167,800,000 for post delivery. In light of the delay of the MCM-1 delivery, the Committee recommends

$159,300,000 for post delivery, which represents a reduction of $8,500,000 from the budget request.

### SHIP CONTRACT DESIGN

The Navy requested $69,400,000 for ship contract design. The Committee has recommended in the past that ship contract design be funded in the research and development appropriation. The Committee continues to support this position, and accordingly recommends the funding request for ship contract design be denied in the shipbuilding account. The Committee also recommends that the research and development funding be increased to support ship contract design which is discussed later in this report.

### T-ACS AUXILIARY CRANE SHIP

The Navy requested $61,100,000 for the conversion of two T-ACS auxiliary crane ships. The Committee recommends a total of $61,100,000 for the T-ACS auxiliary crane ships, consisting of no new obligational authority and $61,100,000 in unobligated shipbuilding funds transferred forward to fiscal year 1987 as follows:.

| | |
|---|---|
| Fiscal year 1983: T-ACS | $6,400,000 |
| Fiscal year 1984: | |
| T-ACS | 9,000,000 |
| Outfitting | 8,900,000 |
| Fiscal year 1986: | |
| T-ACS | 7,500,000 |
| LCAC | 29,300,000 |
| Total | 61,100,000 |

The budget authority recommendation represents a reduction of $61,100,000 to the budget request.

## INFLATION ADJUSTMENT

As discussed in the beginning of the procurement section of this report, the Committee recommends an inflation adjustment of $108,500,000.

## OTHER PROCUREMENT, NAVY

| | |
|---|---|
| Appropriations, 1986 | $6,377,630,000 |
| Adjusted base, 1986 | 6,081,631,000 |
| New obligational authority, 1987: | |
| Estimate | 6,538,800,000 |
| Recommended | 5,492,515,000 |
| Decrease | 1,046,285,000 |
| Total recomended in the bill | [1] 5,587,928,000 |

[1] Includes $5,492,515,000 in new obligational authority, and in addition $5,094,000 to be derived by transfer from "Other Procurement, Navy, 1985/1987", and $90,319,000 to be derived by transfer from "Other Procurement, Navy, 1986/1988".

This appropriation finances the procurement of major equipment and weapons other than ships, aircraft, missiles, torpedoes, and guns. Such equipments range from the latest electronic sensors for updating our naval forces to trucks, training equipment, and spare parts.

## PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| OTHER PROCUREMENT, NAVY | | | | | | |
| SHIPS SUPPORT EQUIPMENT | | | | | | |
| SHIP PROPULSION EQUIPMENT | | | | | | |
| LM-2500 GAS TURBINE.................................... | -- | 22,351 | -- | 9,000 | -- | -13,351 |
| LM-2500 GAS TURBINE (BY TRANSFER).................... | -- | --- | -- | (1,000) | -- | (+1,000) |
| ALLISON 501K GAS TURBINE............................... | 2 | 14,740 | 2 | 14,740 | -- | --- |
| LM2500 SPECIAL SUPPORT EQUIPMENT....................... | -- | 967 | -- | 967 | -- | --- |
| STEAM PROPULSION IMPROVEMENT PROGRAM................... | -- | 11,766 | -- | 6,470 | -- | -5,296 |
| OTHER PROPULSION EQUIPMENT............................. | -- | 27,249 | -- | 26,251 | -- | -998 |
| OTHER PROPULSION EQUIPMENT (BY TRANSFER)............. | -- | --- | -- | (81) | -- | (+81) |
| GENERATORS | | | | | | |
| OTHER GENERATORS....................................... | -- | 14,946 | -- | 14,946 | -- | --- |
| PUMPS | | | | | | |
| OTHER PUMPS............................................ | -- | 18,538 | -- | 18,538 | -- | --- |
| AIR COMPRESSORS | | | | | | |
| HIGH PRESSURE AIR COMPRESSOR........................... | 28 | 7,048 | 28 | 7,048 | -- | --- |
| OTHER AIR COMPRESSORS.................................. | 8 | 1,461 | 8 | 1,461 | -- | --- |
| PROPELLERS | | | | | | |
| SUBMARINE PROPELLERS................................... | 17 | 2,157 | 17 | 2,157 | -- | --- |
| OTHER PROPELLERS AND SHAFTS............................ | -- | 9,557 | -- | 9,557 | -- | --- |
| NAVIGATION EQUIPMENT | | | | | | |
| ELECTRICALLY SUSPENDED GYRO NAVIGATOR.................. | 13 | 34,510 | 13 | 34,510 | -- | --- |
| CARRIER NAVIGATION SYSTEM.............................. | -- | 3,433 | -- | 3,433 | -- | --- |
| OTHER NAVIGATION EQUIPMENT............................. | -- | 8,850 | -- | 8,850 | -- | --- |
| UNDERWAY REPLENISH EQUIP | | | | | | |
| UNDERWAY REPLENISHMENT EQUIPMENT....................... | -- | 2,959 | -- | 2,959 | -- | --- |
| PERISCOPES | | | | | | |
| TYPE 18 PERISCOPE...................................... | -- | 21,325 | -- | 21,325 | -- | --- |
| TYPE 8 PERISCOPES...................................... | -- | 282 | -- | 282 | -- | --- |
| PERISCOPES AND ACCESSORIES............................. | -- | 5,603 | -- | 5,603 | -- | --- |
| OTHER SHIPBOARD EQUIPMENT | | | | | | |
| FIREFIGHTING EQUIPMENT................................. | -- | 11,848 | -- | 11,848 | -- | --- |
| COMMAND AND CONTROL SWITCHBOARDS....................... | 5 | 2,799 | 5 | 2,799 | -- | --- |
| POLLUTION CONTROL EQUIPMENT............................ | -- | 8,471 | -- | 8,471 | -- | --- |
| SUBMARINE SILENCING EQUIPMENT.......................... | -- | 27,084 | -- | 27,084 | -- | --- |
| SURFACE SHIP SILENCING EQUIPMENT....................... | -- | 8,975 | -- | 8,975 | -- | --- |
| SUBMARINE BATTERIES.................................... | 53 | 12,200 | 53 | 12,200 | -- | --- |
| STRATEGIC PLATFORM SUPPORT EQUIPMENT................... | -- | 72,778 | -- | 72,778 | -- | --- |
| DSSP EQUIPMENT......................................... | -- | 9,797 | -- | 9,797 | -- | --- |
| SEALIFT SUPPORT EQUIPMENT.............................. | -- | 58,277 | -- | 70,277 | -- | +12,000 |
| MINESWEEPING CABLE..................................... | -- | 7,350 | -- | 7,350 | -- | --- |
| HM+E ITEMS UNDER 900K.................................. | -- | 28,661 | -- | 28,661 | -- | --- |
| SURFACE IMA............................................ | -- | 21,877 | -- | 21,877 | -- | --- |
| RADIOLOGICAL CONTROLS.................................. | -- | 227 | -- | 227 | -- | --- |
| MINI/MICROMINI ELECTRONIC REPAIR....................... | -- | 1,001 | -- | 1,001 | -- | --- |
| CHEMICAL WARFARE DETECTORS............................. | 214 | 10,940 | 214 | 10,940 | -- | --- |
| SUBMARINE LIFE SUPPORT SYSTEM.......................... | 15 | 27,892 | 15 | 27,892 | -- | --- |
| HM&E ENGINEERED MAINTENANCE............................ | -- | 4,067 | -- | 4,067 | -- | --- |
| REACTOR PLANT EQUIPMENT | | | | | | |
| REACTOR POWER UNITS.................................... | 6 | 202,502 | 6 | 202,502 | -- | --- |
| REACTOR COMPONENTS..................................... | -- | 227,883 | -- | 227,883 | -- | --- |
| OCEAN ENGINEERING | | | | | | |
| DIVING AND SALVAGE EQUIPMENT........................... | -- | 11,855 | -- | 11,855 | -- | --- |
| NAVAL SPECIAL WARFARE EQUIPMENT........................ | -- | 31,707 | -- | 25,051 | -- | -6,656 |
| SMALL BOATS | | | | | | |
| SMALL BOATS............................................ | 340 | 18,570 | 340 | 18,570 | -- | --- |
| TRAINING EQUIPMENT | | | | | | |
| NEW SHIP TRAINING EQUIP................................ | -- | 12,547 | -- | 12,547 | -- | --- |
| OTHER SHIPS TRAINING EQUIPMENT......................... | -- | 6,075 | -- | 6,075 | -- | --- |
| PRODUCTION FACILITIES EQUIPMENT | | | | | | |
| CALIBRATION EQUIPMENT.................................. | -- | 1,590 | -- | 1,590 | -- | --- |
| PRODUCTION SUPPORT FACILITIES.......................... | -- | 13,737 | -- | 13,737 | -- | --- |
| OPERATING FORCES IPE................................... | -- | 4,914 | -- | 4,914 | -- | --- |
| GENERAL REDUCTION...................................... | -- | --- | -- | -50,000 | -- | -50,000 |
| TOTAL, SHIPS SUPPORT EQUIPMENT......................... | | 1,054,366 | | 990,065 | | -64,301 |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST QTY | BUDGET REQUEST AMOUNT | COMMITTEE RECOMMENDED QTY | COMMITTEE RECOMMENDED AMOUNT | CHANGE FROM REQUEST QTY | CHANGE FROM REQUEST AMOUNT |
|---|---|---|---|---|---|---|
| COMMUNICATIONS AND ELECTRONICS EQUIPMENT | | | | | | |
| SHIP RADARS | | | | | | |
| AN/SPS-67 | 17 | 7,209 | 17 | 7,209 | -- | --- |
| AN/SPS-40 | -- | 17,732 | -- | 17,732 | -- | --- |
| AN/SPS-48 | -- | 48,800 | -- | 48,800 | -- | --- |
| AN/SPS-49 | -- | 17,012 | -- | 17,012 | -- | --- |
| AN/SYS-( ) | 4 | 13,725 | 4 | 13,594 | -- | -131 |
| AN/SYS-( ) (BY TRANSFER) | -- | --- | -- | (60) | -- | (+60) |
| AN/SYS-( ) (BY TRANSFER) | -- | --- | -- | (71) | -- | (+71) |
| MK 23 TARGET ACQUISITION SYSTEM | 12 | 20,080 | 12 | 20,080 | -- | --- |
| RADAR SUPPORT | -- | 13,869 | -- | 13,869 | -- | --- |
| SHIP SONARS | | | | | | |
| AN/SQS-26/53/53A | -- | 14,222 | -- | 14,222 | -- | --- |
| AN/SQS-53B | 4 | 25,086 | 4 | 24,822 | -- | -264 |
| AN/SQS-53C | 1 | 34,001 | 1 | 34,001 | -- | --- |
| AN/BQQ-5 | -- | 83,327 | -- | 83,327 | -- | --- |
| TB-16 TOWED ARRAY (MVP) | 10 | 4,610 | 10 | 4,610 | -- | --- |
| SURF SONAR WINDOWS AND DOMES | -- | 10,378 | -- | 10,378 | -- | --- |
| SONAR SUPPORT EQUIPMENT | -- | 10,430 | -- | 10,430 | -- | --- |
| SONAR SWITCHES AND TRANSDUCERS | -- | 36,470 | -- | 25,833 | -- | -10,637 |
| SONAR SWITCHES AND TRANSDUCERS (BY TRANSFER) | -- | --- | -- | (9,487) | -- | (+9,487) |
| FBM SYSTEM SONARS | -- | 1,787 | -- | 1,787 | -- | --- |
| ASW ELECTRONIC EQUIPMENT | | | | | | |
| SUBMARINE ACOUSTIC WARFARE SYSTEMS | -- | 23,231 | -- | 23,231 | -- | --- |
| AN/SLQ-25 (NIXIE) | 27 | 9,359 | -- | --- | -27 | -9,359 |
| ACOUSTIC COMMUNICATIONS | -- | 655 | -- | 655 | -- | --- |
| SUBMARINE ADVANCED COMBAT SYSTEM | -- | 46,228 | -- | 46,228 | -- | --- |
| SOSUS | -- | 83,183 | -- | 83,183 | -- | --- |
| AN/SQR-17 ACOUSTIC PROCESSOR | 8 | 7,829 | 20 | 16,929 | +12 | +9,100 |
| AN/SQR-18 TOWED ARRAY SONAR | -- | 28,721 | -- | 23,598 | -- | -5,123 |
| AN/SQR-18 TOWED ARRAY SONAR (BY TRANSFER) | -- | --- | -- | (1,110) | -- | (+1,110) |
| AN/SQR-15 TOWED ARRAY SONAR | -- | 1,197 | -- | 1,197 | -- | --- |
| AN/SQR-19 TOWED ARRAY SONAR | 10 | 112,414 | -- | --- | -10 | -112,414 |
| SURTASS | -- | 19,750 | -- | 19,750 | -- | --- |
| ASW OPERATIONS CENTER | -- | 12,723 | -- | 12,723 | -- | --- |
| CARRIER ASW MODULE | -- | 27,894 | -- | 27,124 | -- | -770 |
| CARRIER ASW MODULE (BY TRANSFER) | -- | --- | -- | (310) | -- | (+310) |
| ELECTRONIC WARFARE EQUIPMENT | | | | | | |
| AN/SLQ-32 | -- | 75,993 | -- | 75,993 | -- | --- |
| AN/SLQ-17 | 5 | 14,197 | 5 | 14,197 | -- | --- |
| AN/WLR-1 | -- | 4,269 | -- | 4,269 | -- | --- |
| OFFBOARD DECEPTION DEVICES | -- | 22,554 | -- | 22,554 | -- | --- |
| EW SUPPORT EQUIPMENT | -- | 10,240 | -- | 10,240 | -- | --- |
| FLEET EW SUPPORT GROUP | -- | 1,648 | -- | 1,648 | -- | --- |
| C3 COUNTERMEASURES | -- | 69,155 | -- | 69,155 | -- | --- |
| RECONNAISSANCE EQUIPMENT | | | | | | |
| COMBAT CRYPTOLOGIC SUPPORT CONSOLE | -- | 5,203 | -- | 5,203 | -- | --- |
| COMBAT DF | -- | 36,665 | -- | 36,665 | -- | --- |
| OUTBOARD | -- | 26,063 | -- | 24,803 | -- | -1,260 |
| OUTBOARD (FY86 TRANS) | -- | --- | -- | (1,260) | -- | (+1,260) |
| NAVAL INTELLIGENCE PROCESSING SYSTEM | -- | 9,595 | -- | 9,595 | -- | --- |
| SUBMARINE SURVEILLANCE EQUIPMENT | | | | | | |
| AN/WLQ-4 DEPOT | -- | 1,170 | -- | 1,170 | -- | --- |
| AN/WLQ-4 IMPROVEMENTS | -- | 3,582 | -- | 3,582 | -- | --- |
| AN/BLD-1 (INTERFEROMETER) | -- | --- | -- | 16,800 | -- | +16,800 |
| SUBMARINE SUPPORT EQUIPMENT PROGRAM | -- | 4,911 | -- | 4,911 | -- | --- |
| OTHER SHIP ELECTRONIC EQUIPMENT | | | | | | |
| NAVY TACTICAL DATA SYSTEM | -- | 104,681 | -- | 103,301 | -- | -1,380 |
| NAVY TACTICAL DATA SYSTEM (BY TRANSFER) | -- | --- | -- | (1,380) | -- | (+1,380) |
| TACTICAL FLAG COMMAND CENTER | 3 | 17,237 | 3 | 17,237 | -- | --- |
| COMMAND AND CONTROL PROCESSOR | 4 | 3,939 | 4 | 3,939 | -- | --- |
| MINESWEEPING SYSTEM REPLACEMENT | -- | 2,149 | -- | 2,149 | -- | --- |
| NAVSTAR GPS RECEIVERS | 135 | 24,915 | 135 | 24,915 | -- | --- |
| HF LINK-11 DATA TERMINALS | 10 | 4,324 | 10 | 4,324 | -- | --- |
| ARMED FORCES RADIO AND TV | -- | 5,127 | -- | 5,127 | -- | --- |
| STRATEGIC PLATFORM SUPPORT EQUIPMENT | -- | 161,346 | -- | 161,346 | -- | --- |
| TRAINING EQUIPMENT | | | | | | |
| OTHER NAVSEA TRAINING EQUIPMENT | -- | 5,035 | -- | 5,035 | -- | --- |
| AVIATION ELECTRONIC EQUIPMENT | | | | | | |
| MATCALS | -- | 29,556 | -- | 29,556 | -- | --- |
| SHIPBOARD AIR TRAFFIC CONTROL | -- | 12,914 | -- | 12,914 | -- | --- |
| AUTOMATIC CARRIER LANDING SYSTEMS | -- | 23,092 | -- | --- | -- | -23,092 |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| TACAN | -- | 873 | -- | 873 | -- | --- |
| AIR STATION SUPPORT EQUIPMENT | -- | 15,054 | -- | 15,054 | -- | --- |
| MICROWAVE LANDING SYSTEM | 12 | 6,146 | 12 | --- | -- | -6,146 |
| FACSFAC | -- | 22,098 | -- | 21,086 | -- | -1,012 |
| FACSFAC (BY TRANSFER) | -- | --- | -- | (1,012) | -- | (+1,012) |
| RADAR AIR TRAFFIC CONTROL | 15 | 1,521 | 15 | 1,521 | -- | --- |
| MK XII AIMS IFF | -- | 9,422 | -- | 9,422 | -- | --- |
| OTHER SHORE ELECTRONIC EQUIPMENT | | | | | | |
| NAVAL SPACE SURVEILLANCE SYSTEM | -- | 3,053 | -- | --- | -- | -3,053 |
| SPACE SYSTEM PROCESSING | -- | 2,166 | -- | 2,166 | -- | --- |
| MULTOTS | -- | 1,242 | -- | 1,242 | -- | --- |
| NCCS ASHORE | -- | 39,604 | -- | 39,604 | -- | --- |
| RADIAC | -- | 7,931 | -- | 7,931 | -- | --- |
| OVER THE HORIZON RADAR | -- | 2,270 | -- | --- | -- | -2,270 |
| GPETE | -- | 28,326 | -- | 28,326 | -- | --- |
| INTEG COMBAT SYS TEST FACILITY | -- | 4,806 | -- | 4,806 | -- | --- |
| CALIBRATION STANDARDS | -- | 8,216 | -- | 8,216 | -- | --- |
| EMI CONTROL INSTRUMENTATION | -- | 7,369 | -- | 7,369 | -- | --- |
| SHORE ELEC ITEMS UNDER $900K | -- | 8,718 | -- | 8,718 | -- | --- |
| SHIPBOARD COMMUNICATIONS | | | | | | |
| SHIPBOARD HF COMMUNICATIONS | -- | 11,737 | -- | 11,737 | -- | --- |
| SHIPBOARD UHF COMMUNICATIONS | -- | 9,445 | -- | 9,445 | -- | --- |
| FLIGHT DECK COMMUNICATIONS | -- | 1,991 | -- | 1,991 | -- | --- |
| PORTABLE RADIOS | 674 | 8,282 | 674 | 8,282 | -- | --- |
| SHIP COMMUNICATIONS AUTOMATION | -- | 17,950 | -- | 17,950 | -- | --- |
| SHIP COMM ITEMS UNDER $900K | -- | 13,486 | -- | 13,486 | -- | --- |
| SEALIFT SHIP COMM | -- | 4,716 | -- | 4,716 | -- | --- |
| SUBMARINE COMMUNICATIONS | | | | | | |
| ELF COMMUNICATIONS | 77 | 30,836 | 77 | 30,836 | -- | --- |
| SHORE LF/VLF COMMUNICATIONS | -- | 17,781 | -- | 15,329 | -- | -2,452 |
| SHORE LF/VLF COMMUNICATIONS (BY TRANSFER) | -- | --- | -- | (2,452) | -- | (+2,452) |
| VERDIN | -- | 11,824 | -- | 11,824 | -- | --- |
| SSN INTEGRATED COMMUNICATIONS | -- | 2,237 | -- | 2,237 | -- | --- |
| SUBMARINE COMMUNICATION ANTENNAS | -- | 27,925 | -- | 27,925 | -- | --- |
| DATA COLLECTION AND RECORD SYS | 25 | 943 | 25 | 943 | -- | --- |
| SATELLITE COMMUNICATIONS | | | | | | |
| SATCOM SHIP TERMINALS | -- | 34,544 | -- | 34,544 | -- | --- |
| SATCOM SHORE TERMINALS | -- | 8,979 | -- | 8,979 | -- | --- |
| SHORE COMMUNICATIONS | | | | | | |
| JCS COMMUNICATIONS EQUIPMENT | -- | 6,739 | -- | 6,739 | -- | --- |
| ELECTRICAL POWER SYSTEMS | -- | 1,523 | -- | 1,523 | -- | --- |
| SHORE HF COMMUNICATIONS | -- | 11,334 | -- | 11,334 | -- | --- |
| JOINT TACTICAL COMM (TRI-TAC) | -- | 33,872 | -- | 33,872 | -- | --- |
| DCS TECH CONTROL IMPROVEMENTS | -- | 98 | -- | 98 | -- | --- |
| VOICE FREQ CARRIER TELEGRAPH | -- | 49 | -- | 49 | -- | --- |
| ASHORE MOBILE COMM VANS | -- | 6 | -- | 6 | -- | --- |
| WORLDWIDE WIDEBAND COMM | -- | 3,655 | -- | 3,655 | -- | --- |
| WWMCCS COMMUNICATIONS EQUIPMENT | -- | 406 | -- | 406 | -- | --- |
| SHORE COMMUNICATIONS AUTOMATION | -- | 9,700 | -- | 9,700 | -- | --- |
| SHORE COMM ITEMS UNDER $900K | -- | 2,054 | -- | 2,054 | -- | --- |
| CRYPTOGRAPHIC EQUIPMENT | | | | | | |
| SINGLE AUDIO SYSTEM | -- | 16,965 | -- | 16,965 | -- | --- |
| TSEC/KY-71/72 (STU-II/STU-IIM) | -- | 13,572 | -- | 13,572 | -- | --- |
| TSEC/KG-84 | -- | 27,871 | -- | 49,371 | -- | +21,500 |
| TSEC/KY-57/58 (VINSON) | -- | 20,397 | -- | 20,397 | -- | --- |
| TSEC/KYV-5 (ANDVT) | -- | 6,333 | -- | 6,333 | -- | --- |
| TSEC/KW-46 | -- | 8,797 | -- | 8,797 | -- | --- |
| TSEC/KG-81 (WALBURN) | -- | 1,188 | -- | 1,188 | -- | --- |
| TSEC/KG-44 (BMSP) | -- | 5,013 | -- | 5,013 | -- | --- |
| TSEC/KGR-96 (ITSS) | 21 | 2,518 | 21 | 2,518 | -- | --- |
| TRITAC CRYPTO | -- | 28,414 | -- | 26,414 | -- | -2,000 |
| TSEC/KGV-11 | 632 | 14,784 | 632 | 14,784 | -- | --- |
| COMMON FILL DEVICES | -- | 479 | -- | 479 | -- | --- |
| SIGNAL SECURITY | -- | 362 | -- | 362 | -- | --- |
| CRYPTOGRAPHIC ITEMS UNDER $900K | -- | 12,221 | -- | 12,221 | -- | --- |
| CRYPTOLOGIC EQUIPMENT | | | | | | |
| CRYPTOLOGIC COMMUNICATIONS EQUIP | -- | 810 | -- | 810 | -- | --- |
| SHIPS SIGNAL EXPLOITATION SPACE | -- | 1,625 | -- | 1,625 | -- | --- |
| CRYPTOLOGIC ITEMS UNDER $900K | -- | 5,613 | -- | 5,613 | -- | --- |
| CRYPTOLOGIC RESERVES EQUIPMENT | -- | 1,172 | -- | 1,172 | -- | --- |
| CRYPTOLOGIC FIELD TRAINING EQUIP | -- | 768 | -- | 768 | -- | --- |
| SHORE CRYPTOLOGIC SUPPORT SYSTEM | -- | 2,020 | -- | 2,020 | -- | --- |
| OTHER ELECTRONIC SUPPORT | | | | | | |
| WAR RESERVE | -- | 1,013 | -- | 1,013 | -- | --- |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| ELEC ENGINEERED MAINT (NAVSEA) | -- | 5,153 | -- | 5,153 | -- | --- |
| ELEC ENGINEERED MAINT (NAVELEX) | -- | 1,933 | -- | 1,933 | -- | --- |
| GENERAL REDUCTION | -- | --- | -- | -90,000 | -- | -90,000 |
| TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT | | 2,031,430 | | 1,807,467 | | -223,963 |
| AVIATION SUPPORT EQUIPMENT | | | | | | |
| SONOBUOYS | | | | | | |
| AN/SSQ-36 (BT) | 32,536 | 4,720 | 32,536 | 4,720 | -- | --- |
| AN/SSQ-53 (DIFAR) | 273,615 | 100,503 | 273,615 | 98,403 | -- | -2,100 |
| AN/SSQ-57 (SPECIAL PURPOSE) | 11,935 | 2,881 | 11,935 | 2,881 | -- | --- |
| AN/SSQ-62 (DICASS) | 27,436 | 35,265 | 27,436 | 35,265 | -- | --- |
| AN/SSQ-77 (VLAD) | 85,800 | 61,388 | 85,800 | 48,800 | -- | -12,588 |
| AN/SSQ-86 (DLC) | 1,860 | 2,840 | 1,860 | 2,840 | -- | --- |
| SIGNAL UNDERWATER SOUND (SUS) | 4,500 | 1,228 | 4,500 | 1,228 | -- | --- |
| LOW COST SONOBOUY | 490,000 | 26,569 | -- | --- | -490,000 | -26,569 |
| AIR LAUNCHED ORDNANCE | | | | | | |
| SKIPPER | 1,600 | 44,706 | 1,600 | 44,706 | -- | --- |
| GENERAL PURPOSE BOMBS | -- | 126,929 | -- | 37,129 | -- | -89,800 |
| LASER GUIDED BOMB KITS | 515 | 6,344 | 515 | 6,344 | -- | --- |
| WALLEYE | -- | 35,293 | -- | --- | -- | -35,293 |
| ROCKEYE | 1,528 | 8,875 | -- | --- | -1,528 | -8,875 |
| ZUNI ROCKET | -- | 26,271 | -- | 8,271 | -- | -18,000 |
| 2.75 INCH ROCKET | -- | 31,416 | -- | 31,416 | -- | --- |
| PARACHUTE FLARES | 302 | 1,947 | 302 | 1,947 | -- | --- |
| MACHINE GUN AMMUNITION | -- | 21,180 | -- | 20,680 | -- | -500 |
| PRACTICE BOMBS | -- | 30,678 | -- | 25,478 | -- | -5,200 |
| CARTRIDGES + CARTRIDGE ACTUATED DEVICES | -- | 25,253 | -- | 25,253 | -- | --- |
| AIRCRAFT ESCAPE ROCKETS | -- | 7,458 | -- | 7,458 | -- | --- |
| AIRBORNE EXPENDABLE COUNTERMEASURES | -- | 40,852 | -- | 31,252 | -- | -9,600 |
| MARINE LOCATION MARKERS | -- | 8,307 | -- | 8,307 | -- | --- |
| DEFENSE NUCLEAR AGENCY MATERIAL | -- | 2,454 | -- | 2,454 | -- | --- |
| BIGEYE CHEMICAL WEAPON | 585 | 28,533 | -- | --- | -585 | -28,533 |
| JATOS | -- | 2,621 | -- | 2,021 | -- | -600 |
| GATOR | 912 | 42,585 | -- | --- | -912 | -42,585 |
| MISC AIR LAUNCHED ORDNANCE | -- | 566 | -- | 566 | -- | --- |
| AIRCRAFT SUPPORT EQUIPMENT | | | | | | |
| WEAPONS RANGE SUPPORT EQUIPMENT | -- | 46,431 | -- | 43,431 | -- | -3,000 |
| WEAPONS RANGE SUPPORT EQUIPMENT (BY TRANSFER) | -- | --- | -- | (3,000) | -- | (+3,000) |
| EXPEDITIONARY AIRFIELDS | -- | 1,292 | -- | 1,292 | -- | --- |
| AIRCRAFT REARMING EQUIPMENT | -- | 38,830 | -- | 35,771 | -- | -3,059 |
| AIRCRAFT REARMING EQUIPMENT (BY TRANSFER) | -- | --- | -- | (3,059) | -- | (+3,059) |
| CATAPULTS AND ARRESTING GEAR | -- | 33,670 | -- | 33,670 | -- | --- |
| METEOROLOGICAL EQUIPMENT | -- | 19,015 | -- | 19,015 | -- | --- |
| OTHER PHOTOGRAPHIC EQUIPMENT | -- | 2,078 | -- | 2,078 | -- | --- |
| MISC SURVIVAL EQUIPMENT | -- | 17,603 | -- | 17,603 | -- | --- |
| AIRBORNE MINE COUNTERMEASURES | -- | 32,304 | -- | 19,821 | -- | -12,483 |
| LAMPS MK III SHIPBOARD EQUIPMENT | -- | 34,993 | -- | 31,003 | -- | -3,990 |
| REWSON PHOTOGRAPHIC EQUIPMENT | -- | 1,858 | -- | 1,858 | -- | --- |
| STOCK SURVEILLANCE EQUIPMENT | -- | 1,971 | -- | 1,971 | -- | --- |
| OTHER AVIATION SUPPORT EQUIPMENT | -- | 5,719 | -- | 5,719 | -- | --- |
| TOTAL, AVIATION SUPPORT EQUIPMENT | | 963,514 | | 660,739 | | -302,775 |
| ORDNANCE SUPPORT EQUIPMENT | | | | | | |
| SHIP GUN AMMUNITION | | | | | | |
| 3 /50 GUN AMMUNITION | -- | 3,743 | -- | 3,743 | -- | --- |
| 5 /38 GUN AMMUNITION | -- | 6,309 | -- | 6,309 | -- | --- |
| 5 /54 GUN AMMUNITION | -- | 75,825 | -- | 41,725 | -- | -34,100 |
| 5 INCH GUIDED PROJECTILE | -- | 127,916 | -- | 127,916 | -- | --- |
| 16 INCH GUN AMMUNITION | -- | 7,667 | -- | 7,667 | -- | --- |
| CIWS AMMUNITION | -- | 41,814 | -- | 35,314 | -- | -6,500 |
| 76MM GUN AMMUNITION | -- | 17,092 | -- | 17,092 | -- | --- |
| OTHER SHIP GUN AMMUNITION | -- | 25,990 | -- | 19,090 | -- | -6,900 |
| SHIP GUN SYSTEM EQUIPMENT | | | | | | |
| GUN FIRE CONTROL EQUIPMENT | -- | 19,188 | -- | 19,188 | -- | --- |
| COAST GUARD GUN SYSTEM | 2 | 20,930 | 2 | 20,930 | -- | --- |
| SHIP MISSILE SYSTEMS EQUIPMENT | | | | | | |
| MK 92 FIRE CONTROL SYSTEM | -- | 3,471 | -- | 3,471 | -- | --- |
| MK-92 CORT | -- | --- | -- | 54,000 | -- | +54,000 |
| HARPOON SUPPORT EQUIPMENT | -- | 13,041 | -- | 13,041 | -- | --- |
| TERRIER SUPPORT EQUIPMENT | -- | 56,810 | -- | 56,810 | -- | --- |
| TARTAR SUPPORT EQUIPMENT | -- | 47,052 | -- | 47,052 | -- | --- |
| POINT DEFENSE SUPPORT EQUIPMENT (MYP) | -- | 42,314 | -- | 42,314 | -- | --- |
| AIRBORNE ECM/ECCM | -- | 1,061 | -- | 1,061 | -- | --- |
| AEGIS SUPPORT EQUIPMENT | -- | 60,592 | -- | 60,592 | -- | --- |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST QTY | BUDGET REQUEST AMOUNT | COMMITTEE RECOMMENDED QTY | COMMITTEE RECOMMENDED AMOUNT | CHANGE FROM REQUEST QTY | CHANGE FROM REQUEST AMOUNT |
|---|---|---|---|---|---|---|
| SURFACE TOMAHAWK SUPPORT EQUIPMENT | -- | 109,593 | -- | 109,593 | -- | --- |
| SUBMARINE TOMAHAWK SUPPORT EQUIPMENT | -- | 11,916 | -- | 11,916 | -- | --- |
| VERTICAL LAUNCH SYSTEM | 4 | 137,767 | 4 | 131,339 | -- | -6,428 |
| FBM SUPPORT EQUIPMENT | | | | | | |
| STRATEGIC PLATFORM SUPPORT EQUIPMENT | -- | 105,318 | -- | 105,318 | -- | --- |
| ASW SUPPORT EQUIPMENT | | | | | | |
| MK 117 FIRE CONTROL SYSTEM | 29 | 54,187 | 29 | 54,187 | -- | --- |
| SUBMARINE ASW SUPPORT EQUIPMENT | -- | 23,336 | -- | 23,336 | -- | --- |
| SURFACE ASW SUPPORT EQUIPMENT | -- | 24,886 | -- | 24,886 | -- | --- |
| MK 116 FIRE CONTROL SYSTEM | 4 | 40,929 | 4 | 14,224 | -- | -26,705 |
| ASW RANGE SUPPORT EQUIPMENT | -- | 5,429 | -- | 5,429 | -- | --- |
| OTHER ORDNANCE SUPPORT EQUIPMENT | | | | | | |
| EXPLOSIVE ORDNANCE DISPOSAL EQUIP | -- | 15,238 | -- | 15,238 | -- | --- |
| SWIMMER WEAPONS SYSTEMS | -- | 847 | -- | 847 | -- | --- |
| UNMANNED SEABORNE TARGET | -- | 2,872 | -- | 2,872 | -- | --- |
| ANTI-SHIP MISSILE DECOY SYSTEMS | 5 | 6,362 | 5 | 6,362 | -- | --- |
| CALIBRATION EQUIPMENT | -- | 6,290 | -- | 6,290 | -- | --- |
| STOCK SURVEILLANCE EQUIPMENT | -- | 2,096 | -- | 2,096 | -- | --- |
| OTHER ORDNANCE TRAINING EQUIPMENT | -- | 2,362 | -- | 2,362 | -- | --- |
| OTHER EXPENDABLE ORDNANCE | | | | | | |
| SMALL ARMS AND LANDING PARTY AMMO | -- | 31,002 | -- | 31,002 | -- | --- |
| PYROTECHNIC AND DEMOLITION MATERIAL | -- | 29,613 | -- | 29,613 | -- | --- |
| QUICKSTRIKE | -- | 29,852 | -- | --- | -- | -29,852 |
| QUICKSTRIKE (BY TRANSFER) | -- | --- | -- | (37,735) | -- | (+37,735) |
| FLEET MINE SUPPORT EQUIPMENT | -- | 20,692 | -- | 20,692 | -- | --- |
| MINE NEUTRALIZATION DEVICES | -- | 2,719 | -- | 2,719 | -- | --- |
| DEFENSE NUCLEAR AGENCY MATERIAL | -- | 7,435 | -- | 7,435 | -- | --- |
| SHIPBOARD EXPENDABLE COUNTERMEASURES | -- | 18,264 | -- | 18,264 | -- | --- |
| GENERAL REDUCTION | -- | --- | -- | -60,000 | -- | -60,000 |
| TOTAL, ORDNANCE SUPPORT EQUIPMENT | | 1,259,820 | | 1,143,335 | | -116,485 |
| CIVIL ENGINEERING SUPPORT EQUIPMENT | | | | | | |
| PASSENGER CARRYING VEHICLES | 810 | 10,925 | -- | --- | -810 | -10,925 |
| TRUCKS | 2,639 | 38,335 | -- | --- | -2,639 | -38,335 |
| TRAILERS | 326 | 4,811 | -- | --- | -326 | -4,811 |
| CRUSH, MIX, BATCH, PAVE EQUIPMENT | -- | 4,987 | -- | 4,987 | -- | --- |
| DRILLING AND BLASTING EQUIPMENT | -- | 3,094 | -- | 3,094 | -- | --- |
| EARTH MOVING EQUIPMENT | 300 | 11,244 | 300 | 11,244 | -- | --- |
| LIGHTING AND POWER GENERATING EQUIP | -- | 2,415 | -- | 2,415 | -- | --- |
| MISC CONSTRUCTION AND MAINTENANCE EQUIP | -- | 5,957 | -- | 5,957 | -- | --- |
| FIRE FIGHTING EQUIPMENT | 60 | 4,680 | 60 | 4,680 | -- | --- |
| WEIGHT HANDLING EQUIPMENT | 82 | 13,210 | 82 | 13,210 | -- | --- |
| AMPHIBIOUS EQUIPMENT | -- | 32,987 | -- | 32,987 | -- | --- |
| AMPHIBIOUS EQUIPMENT (BY TRANSFER) | -- | --- | -- | (13,977) | -- | (+13,977) |
| COMBAT CONSTRUCTION SUPPORT EQUIPMENT | -- | 9,296 | -- | 9,296 | -- | --- |
| MOBILE UTILITIES SUPPORT EQUIPMENT | -- | 2,152 | -- | 2,152 | -- | --- |
| COLLATERAL EQUIPMENT | -- | 2,284 | -- | 2,284 | -- | --- |
| OCEAN CONSTRUCTION EQUIPMENT | -- | 1,318 | -- | 1,318 | -- | --- |
| FLEET MOORINGS | -- | 4,460 | -- | 4,460 | -- | --- |
| POLLUTION CONTROL EQUIPMENT | -- | 1,932 | -- | 1,932 | -- | --- |
| OTHER CIVIL ENG SUPPORT EQUIPMENT | -- | 2,625 | -- | 2,625 | -- | --- |
| FLEET HOSPITALS | 4 | 110,548 | 4 | 18,748 | -- | -91,800 |
| TOTAL, CIVIL ENGINEERING SUPPORT EQUIPMENT | | 267,260 | | 121,389 | | -145,871 |
| SUPPLY SUPPORT EQUIPMENT | | | | | | |
| FORKLIFT TRUCKS | 392 | 9,518 | 392 | 9,518 | -- | --- |
| OTHER MATERIALS HANDLING EQUIPMENT | -- | 3,290 | -- | 3,290 | -- | --- |
| AUTOMATED MATERIALS HANDLING SYSTEMS | -- | 23,783 | -- | 13,383 | -- | -10,400 |
| OTHER SUPPLY SUPPORT EQUIPMENT | -- | 9,023 | -- | 9,023 | -- | --- |
| SPECIAL PURPOSE SUPPLY SYSTEMS | -- | 36,609 | -- | 36,609 | -- | --- |
| TOTAL, SUPPLY SUPPORT EQUIPMENT | | 82,223 | | 71,823 | | -10,400 |
| PERSONNEL AND COMMAND SUPPORT EQUIPMENT | | | | | | |
| TRAINING DEVICES | | | | | | |
| SURFACE SONAR TRAINERS | -- | 33,360 | -- | 33,360 | -- | --- |
| SUBMARINE SONAR TRAINERS | -- | 8,546 | -- | 8,546 | -- | --- |
| SURFACE COMBAT SYSTEM TRAINERS | -- | 25,487 | -- | 25,487 | -- | --- |
| SUBMARINE COMBAT SYSTEM TRAINERS | -- | 30,319 | -- | 30,319 | -- | --- |
| SHIP SYSTEM TRAINERS | -- | 16,217 | -- | 16,217 | -- | --- |
| TRAINING SUPPORT EQUIP | -- | 12,632 | -- | 7,532 | -- | -5,100 |
| TRAINING DEVICE MODIFICATIONS | -- | 3,380 | -- | 3,380 | -- | --- |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST QTY | BUDGET REQUEST AMOUNT | COMMITTEE RECOMMENDED QTY | COMMITTEE RECOMMENDED AMOUNT | CHANGE FROM REQUEST QTY | CHANGE FROM REQUEST AMOUNT |
|---|---|---|---|---|---|---|
| COMMAND SUPPORT EQUIPMENT | | | | | | |
| COMMAND SUPPORT EQUIPMENT | -- | 14,540 | -- | 10,640 | -- | -3,900 |
| EDUCATION SUPPORT EQUIPMENT | -- | 4,966 | -- | 4,966 | -- | --- |
| MEDICAL SUPPORT EQUIPMENT | -- | 25,085 | -- | 25,085 | -- | --- |
| INTELLIGENCE SUPPORT EQUIPMENT | -- | 52,823 | -- | 50,239 | -- | -2,584 |
| ITEMS UNDER 900K | -- | 1,032 | -- | 1,032 | -- | --- |
| OPERATING FORCES SUPPORT EQUIPMENT | -- | 21,331 | -- | 21,331 | -- | --- |
| NAVAL RESERVE SUPPORT EQUIPMENT | -- | 4,992 | -- | --- | -- | -4,992 |
| OCEANOGRAPHIC SUPPORT EQUIPMENT | -- | 25,592 | -- | 20,200 | -- | -5,392 |
| PHYSICAL SECURITY EQUIPMENT | -- | 31,087 | -- | 31,087 | -- | --- |
| COMPUTER ACQUISITION PROGRAM | | | | | | |
| COMPUTER ACQUISITION PROGRAM | -- | 221,279 | -- | 169,079 | -- | -52,200 |
| PRODUCTIVITY PROGRAMS | | | | | | |
| PRODUCTIVITY INVESTMENT FUND (PIF) | -- | 20,245 | -- | 20,245 | -- | --- |
| PROD ENHANCING INCENTIVE FUND (PEIF) | -- | 3,414 | -- | 3,414 | -- | --- |
| TOTAL, PERSONNEL AND COMMAND SUPPORT EQUIPMENT | | 556,295 | | 482,127 | | -74,168 |
| SPARES & REPAIR PARTS | | | | | | |
| SPARES AND REPAIR PARTS | -- | 323,892 | -- | 294,589 | -- | -29,303 |
| PRIOR YEAR PROGRAM SAVINGS | -- | --- | -- | -19,419 | -- | -19,419 |
| PRIOR YEAR PROGRAM SAVINGS (BY TRANSFER) | -- | --- | -- | (14,419) | -- | (+14,419) |
| PRIOR YEAR PROGRAM SAVINGS (BY TRANSFER) | -- | --- | -- | (5,000) | -- | (+5,000) |
| INFLATION SAVINGS, FY87 | -- | --- | -- | -59,600 | -- | -59,600 |
| TOTAL, OTHER PROCUREMENT, NAVY | | 6,538,800 | | 5,492,515 | | -1,046,285 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (95,413) | | (+95,413) |
| TOTAL FUNDING AVAILABLE | | 6,538,800 | | 5,587,928 | | -950,872 |

## COMMITTEE RECOMMENDATIONS

### AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with authorization action:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from request |
|---|---|---|---|
| Sealift support equipment | 58,277 | 70,277 | +12,000 |
| AN/SQR-17 acoustic processor | 7,829 | 16,929 | +9,100 |
| AN/BLD-1 (interferometer) | | 16,800 | +16,800 |
| TRITAC CRYPTO | 28,414 | 26,414 | −2,000 |
| General purpose bombs | 126,929 | 37,129 | −89,800 |
| Walleye | 35,293 | | −35,293 |
| Zuni rocket | 26,271 | 8,271 | −18,000 |
| Machine gun ammunition | 21,180 | 20,680 | −500 |
| Practice bombs | 30,678 | 25,478 | −5,200 |
| Airborne expendable countermeasures | 40,852 | 31,252 | −9,600 |
| JATOS | 2,621 | 2,021 | −600 |
| Gator | 42,585 | | −42,585 |
| MK-92 CORT | | 54,000 | +54,000 |
| Passenger carrying vehicles | 10,925 | | −10,925 |

[In thousands of dollars]

| | Budget request | Committee recommended | Change from request |
|---|---|---|---|
| Trucks | 38,335 | | −38,335 |
| Trailers | 4,811 | | −4,811 |
| Automated materials handling systems | 23,783 | 13,383 | −10,400 |
| Training support equipment | 12,632 | 7,532 | −5,100 |
| Command support equipment | 14,540 | 10,640 | −3,900 |
| Naval Reserve support equipment | 4,992 | | −4,992 |
| Oceanographic support equipment | 25,592 | 20,200 | −5,392 |
| Computer Acquisition program | 221,279 | 169,079 | −52,200 |

## Ship Support Equipment

### LM 2500 GAS TURBINE

The Navy budgeted $22,351,000 for the LM 2500 Gas Turbine program. The Committee recommends $9,000,000, a reduction of $13,351,000 from the request, and use of $1,000,000 in unobligated fiscal year 1986 appropriations to fund part of the fiscal year 1987 program for this line item. The fiscal year 1986 savings were achieved in the modification kit element of the program. The recommendation is based on the excessive use of this line item as a source for reprogramming in recent years.

### STEAM PROPULSION IMPROVEMENT PROGRAM

The Navy budgeted $11,766,000 for the Steam Propulsion Improvement program. The Committee recommends $6,470,000, a reduction of $5,296,000 from the request. The recommendation keeps program funding at about the fiscal year 1986 level. It is based on the excessive use of this line item as a source for reprogramming in recent years.

### OTHER PROPULSION EQUIPMENT

The Navy budgeted $27,249,000 for the Other Propulsion Equipment program. The Committee recommends $26,251,000, a reduction of $998,000 from the request, and use of $81,000 in unobligated fiscal year 1986 appropriations to fund part of the fiscal year 1987 program for this item. The recommendation is based on fiscal year 1986 contract savings in fiscal year 1986 and lowered requirements in fiscal year 1987.

### SEALIFT SUPPORT EQUIPMENT

The Navy budgeted $58,277,000 for the Sealift Support Equipment program. The Committee recommends $70,277,000, the authorized level, an increase of $12,000,000 to the request. Of the recommended amount $45,000,000 is provided specifically for procurement of 350 Seashed Systems.

In the past, the Committee has experienced breakdowns in communication with the Navy with regard to its intended funding levels for this program. To avert the possibility of such a breakdown in the future, and to ensure that the Navy has the clearest picture of its intent for fiscal year 1987, the Committee is specifically earmarking appropriation amounts for this item in the language of the Defense Appropriations Act of 1987.

The Committee further identifies this item as a matter of Committee interest. No reprogrammings or distributions of general reductions shall be applied to this item without prior notice to the Committee.

### NAVAL SPECIAL WARFARE EQUIPMENT

The Navy budgeted $31,707,000 for the Naval Special Warfare Equipment. The Committee recommends $25,051,000, a reduction for $6,565,000 from the request. The reduction is based on program delays.

## COMMUNICATIONS AND ELECTRONICS EQUIPMENT

### INTEGRATED AUTOMATIC DETECTION AND TRACKING SYSTEM AN/SYS-( )

The Navy budgeted $13,725,000 for the Integrated Automatic Detection and Tracking System AN/SYS-( ). The Committee recommends $13,594,000, a reduction of $131,000 from the request, and use of $60,000 in fiscal year 1985 and $71,000 in fiscal year 1986 unobligated appropriations to fund part of the fiscal year 1987 request for this line item. These savings are due to downward adjustments in program requirements in prior years.

### AN/SQS-53 (B)

The Navy budgeted $25,086,000 for the AN/SQS-53(B) program. The Committee recommends $24,822,000, a reduction of $264,000. The recommendation is based on lower than previously anticipated unit costs.

### SONAR SWITCHES AND TRANSDUCERS

The Navy budgeted $36,470,000 for Sonar Switches and Transducers. The Committee recommends $25,833,000, a reduction of $10,637,000 from the request, and use of $34,000 in fiscal year 1985 and $9,453,000 in fiscal year 1986 unobligated appropriations to fund part of the fiscal year 1987 program for this line item. The recommendation is based on reduced unit costs for transducers and a deferred procurement plan for the electric scanning switch.

### AN/SLQ-25 (NIXIE)

The Navy requested $9,359,000 to procure 27 AN/SLQ-25 systems. Because of the delays associated with the awarding of the fiscal year 1985 and 1986 contracts and the requirements for first article testing and evaluation, the Committee recommends that the funding request for the AN/SLQ-25 be denied without prejudice. The budget authority recommendation represents a reduction of $9,359,000 for the budget request.

### AN/SQR-17 ACOUSTIC PROCESSORS

The Navy requested $7,829,000 to procure eight SQR-17 systems. In accordance with authorization action which recognizes the current shortfall in the SQR-17 inventory, the Committee recommends $16,929,000 to procure 20 SQR-17 systems. Because of the timeframes associated with the award of prior year contracts, the Committee will monitor this program closely and expects the Navy to proceed in an expeditious manner. Any changes in procurement strategy should not be made without the Committee's approval since this item is of special interest.

Additionally, the Committee is concerned that the Navy has decided to forego further procurement of the AN/ARR-75 receiver for our surface antisubmarine warfare ships (ASW). Systems similar to this receiver are currently being jerry-built by our surface fleet which is inappropriate particularly since systems such as the ARR-75 have provided additional capabilities to our surface fleet. The Committee directs the Navy to use contract savings (including prior year) associated with the economic procurement of the SQR-17 to procure the relatively low cost ARR-75 receiver. The Committee also expects the Navy to submit a funding plan which assures that all ASW surface ships (FFG's and DD-963's) will be equipped with this system.

The Committee's recommendation represents an increase of $9,100,000 to the budget request.

### AN/SQR-18 TOWED ARRAY SONAR

The Navy requested $28,721,000 to procure AN/SQR-18 systems. The Navy's request fails to fully reflect prior year contract savings. Accordingly, the Committee recommends a total of $24,708,000 for the SQR-18, consisting of $23,598,000 in new obligational authority and $1,110,000 in prior year unobligated SQR-18 funds transferred forward to fiscal year 1987. The Committee directs that none of the SQR-18 be obligated until the towed array and shipboard electronics are awarded on a competitive basis. The budget authority recommendation represents a reduction of $5,123,000 from the budget request.

### AN/SQR-19 TOWED ARRAY SONAR

The Navy requested $112,414,000 to procure 10 AN/SQR-19 towed array systems. Last year, the Committee directed that prior to the obligation AN/SQR-19 funds the Navy was to compete the fiscal year 1986 procurement of the AN/SQR-19 towed array sonar system. The Committee closely monitored this program during the course of the year and found that the Navy awarded the fiscal year 1986 contract without proper notification to the appropriate members of the Committee. Accordingly, the Committee denies the funding request for the AN/SQR-19 towed array sonar which represents a reduction of $112,414,000 from the budget request.

### CARRIER ASW MODULE

The Navy budgeted $27,894,000 for the Carrier ASW Module program. The Committee recommends $27,124,000, a reduction of

$770,000 from the request, and use of $310,000 in unobligated fiscal year 1986 appropriations to fund part of the fiscal year 1987 request for this line item. The recommendation is based on contract savings in fiscal year 1986 and on lower than anticipated unit costs for fiscal year 1987.

### OUTBOARD

The Navy budgeted $26,063,000 for the Outboard Program. The Committee recommends $24,803,000, a reduction of $1,260,000 from the request, and use of $1,260,000 in unobligated fiscal year 1986 appropriations to fund part of the fiscal year 1987 program.

According to information provided to the Committee by the General Accounting Office, $1,260,000 of the $34,598,000 already appropriated in fiscal year 1986 for the classified OUTBOARD program is no longer required. The Committee is therefore recommending that these funds be transferred forward and a proportionate reduction be made in the fiscal year 1987 request.

### NAVY TACTICAL DATA SYSTEM

The Navy budgeted $104,681,000 for the Navy Tactical Data System. The Committee recommends $103,301,000, a reduction of $1,380,000 from the request, and use of $1,380,000 in unobligated fiscal year 1986 appropriations to fund part of the fiscal year 1987 request for this line item. The recommendation is based on procurement of fewer computer sets than anticipated.

### AUTOMATIC CARRIER LANDING SYSTEM

The Navy budgeted $23,092,000 for the Automatic Carrier Landing System. The Committee recommends denial of this request. Further procurement of this system should not proceed until tests of availability and mean time between failure or completed automatic landing rates indicate that such procurement is warranted.

### MICROWAVE LANDING SYSTEM

The Navy budgeted $6,146,000 for the Microwave Landing System. The Committee recommends denial of this request because the program has been delayed for over a year.

### FLEET AREA CONTROL AND SURVEILLANCE FACILITIES

The Navy budgeted $22,098,000 for the Fleet Area Control and Surveillance Facilities program. The Committee recommends $21,086,000, a reduction of $1,012,000 from the request, and use of $1,012,000 in unobligated fiscal year 1986 appropriations to fund part of the fiscal year 1987 request for this line item. This recommendation is based on lower than anticipated program requirements for fiscal year 1986.

### NAVAL SPACE SURVEILLANCE SYSTEM

The Navy budgeted $3,053,000 for the Naval Space Surveillance System. The Committee recommends denial of the request.

In fiscal year 1987, a total of $24,454,000 is requested in three different appropriations for the Naval Space Surveillance System. This represents a net increase of $4,194,000 over fiscal year 1986 levels, with the most significant portion of the increase being requested for a new start for modernization of transmitters and receiver field stations. The remaining portion of the increase is for such miscellaneous items as technical reports, software documentation, and personnel increases.

While the Committee has no specific objection to modernization of Naval Space Surveillance System equipment, the Committee believes that such efforts may be deferred until fiscal year 1988 or beyond and is therefore recommending reductions of $2,315,000 in Operation and Maintenance, Navy, $3,053,000 in Other Procurement, Navy, and $663,000 in RDT&E, Navy.

### RELOCATABLE OVER-THE-HORIZON RADAR (ROTHR)

The Navy budgeted $2,270,000 for the Relocatable Over-the-Horizon Radar, and an additional $7,803,000 for spares and repair parts. The Committee recommends denial of the request.

As addressed elsewhere in this report, a total reduction of $10,073,000 in ROTHR is recommended for this program.

### SHORE LF/VLF COMMUNICATIONS

The Navy budgeted $17,781,000 for the Shore LF/VLF Communications program. The Committee recommends $15,329,000, a reduction of $2,452,000 from the request, and use of $2,452,000 in unobligated fiscal year 1986 appropriations to fund part of the fiscal year 1987 request for this line item. The recommendation is based on lower than anticipated program requirements for fiscal year 1986.

### TSEC/KG-84

The Navy budgeted $27,871,000 for the TSEC/KG-84 program. The Committee recommends $49,371,000, an increase of $21,500,000 to the request, subject to authorizing legislation.

## AVIATION SUPPORT EQUIPMENT

### SONOBUOY PROCUREMENT

To its credit, the Navy has followed a sonobuoy development and procurement strategy under which several contractors are qualified to produce each variety. This strategy maintains a competitive procurement environment and simultaneously provides a rapid mobilization surge capability. In recent years, however, it appears to have become counterproductive. In order to keep all qualified vendors in business, uneconomic procurement quantities are often awarded. This drives up unit costs and wipes out the cost savings which competition is intended to produce. It appears that in many cases, awarding contracts to only two contractors in a given year would result in significantly less costly procurements. Such an approach should have only minimal impact on the mobilization base since all qualified producers could compete in a following year. The Committee requests the Navy to carefully examine its procurement strategy with these concerns in mind. The Navy is directed to submit a report to the Committee justifying its proposed approach in fiscal year 1987 prior to obligating any procurement funds.

### SSQ-53 DIFAR SONOBUOY

The Navy budgeted $100,583,000 for procurement of 273,615 SSQ-53 DIFAR sonobuoys. The budget assumed that fiscal year 1987 would be the initial procurement of an improved version of this sonobuoy called the SSQ-53D. However, the SSQ-53D will not be ready for competitive procurement until fiscal year 1988. The Committee believes that the Navy should therefore continue to procure the SSQ-53C in fiscal year 1987. Such an approach will cost $2,100,000 less than that assumed in the budget. The Committee recommends $98,483,000, a reduction of $2,100,000.

### SSQ-77 VLAD SONOBUOY

The Navy budgeted $61,388,000 for procurement of 85,800 SSQ-77 VLAD sonobuoys. The Navy recently reprogrammed some fiscal year 1986 SSQ-77 funds as a result of contract savings. Projecting those savings into fiscal year 1987 produces savings of $12,588,000. The Committee therefore recommends $48,800,000.

### LOW COST SONOBUOY

The Navy budgeted $26,569,000 for procurement of 490,000 low cost sonobuoys. Last year $46,080,000 was appropriated for initial procurement of this item. Technical difficulties and other program delays will likely slip the award of the fiscal year 1986 initial contract into fiscal year 1987. Therefore, the Committee recommends no new funding in fiscal year 1987, a reduction of $26,569,000.

### ROCKEYE

The Navy budgeted $8,875,000 for Rockeye cluster bomb procurement. The budget was specifically for procurement of the FMU-140 fuze. The first funding for this fuze was appropriated in fiscal year 1986. A series of technical problems and testing delays have caused a slip in awarding the initial contract to fiscal year 1987. Therefore, the Committee recommends no new funding in fiscal year 1987, a reduction of $8,875,000.

### BIGEYE

The Navy budgeted $28,533,000 for procurement of the Bigeye binary chemical bomb. Since testing of the Bigeye continues well into fiscal year 1987, and since there are no production facilities to make this bomb, the Committee recommends no procurement funding in fiscal year 1987. The Committee notes, however, that with the recent submission of the report required by Section 1411(d) of P.L. 99-145 (Department of Defense Authorization Act 1986, as amended), the $98,300,000 appropriated last year for Bigeye production facilities will soon be available for obligation.

### WEAPONS RANGE SUPPORT EQUIPMENT

The Navy budgeted $46,431,000 for the Weapons Range Support Equipment program. The Committee recommends $43,431,000, a reduction of $3,000,000 from the request, and use of $3,000,000 in unobligated fiscal year 1986 appropriations to fund part of the fiscal year 1987 request for this item. The recommendation is based on lower than anticipated program requirements for fiscal year 1986.

### AIRCRAFT REARMING EQUIPMENT

The Navy budgeted $38,830,000 for the Aircraft Rearming Equipment program. The Committee recommends $35,771,000, a reduction of $3,059,000 from the request, and use of $3,059,000 in unobligated fiscal year 1986 appropriations to fund part of the fiscal year 1987 request for this line item.

### AIRBORNE MINE COUNTERMEASURES

The Navy budgeted $32,304,000 for the Airborne Mine Countermeasures program. The Committee recommends $19,821,000, a reduction of $12,483,000 from the request. The recommendation is based on a Navy decision subsequent to the fiscal year 1987 budget submission not to procure 10 ALQ-141 sonar units that were originally included in the fiscal year 1987 request.

### LAMPS MK-III SHIPBOARD EQUIPMENT

The Navy budgeted $34,993,000 for the LAMPS MK-III Shipboard Equipment program. The Committee recommends $31,003,000, a reduction of $3,990,000 from the request. The recommendation is based on excess inventory of helicopter landing systems which were budgeted for procurement in fiscal year 1987.

## ORDNANCE SUPPORT EQUIPMENT

### FIVE INCH/54 AMMUNITION

The Navy budgeted $75,825,000 for 5 Inch/54 ship gun ammunition procurement. The General Accounting Office has reported that $15,800,000 for puff projectiles and $3,900,000 for BLGP projectiles are budgeted in excess of the most recent usage requirement calculations. The Committee recommends a reduction of $19,700,000. The Committee recommends an additional reduction of $14,400,000 for HI-FRAG cartridges and prop charges because of problems in manufacturing a component for the complete round. In all, the Committee recommends $41,725,000 for 5 Inch/54 ammunition, a reduction of $34,100,000.

### CLOSE-IN WEAPON SYSTEM AMMUNITION

The Navy budgeted $41,814,000 for Close-In Weapon System (CIWS) ammunition. The General Accounting Office has reported that the Navy overstated its usage requirement and therefore overbudgeted by $6,500,000. The Committee recommends $35,314,000 for CIWS ammunition, a reduction of $6,500,000.

### OTHER SHIP GUN AMMUNITION

The Navy budgeted $25,990,000 for other ship gun ammunition. The General Accounting Office has reported that the Navy overestimated its usage requirement and therefore overbudgeted by $6,900,000. The Committee recommends $19,090,000, a reduction of $6,900,000.

### MK-92 FIRE CONTROL SYSTEM UPGRADE—CORT

The Navy did not request funds for the MK-92 CORT upgrade. Last year the Appropriations Conference report directed the Navy to obligate $54,000,000 for six CORT kits as an option to the FFG-61 contract. The Committee is very concerned that the Navy has not followed Congressional direction by exercising this option and reiterates its direction to the Navy to obligate funds for six CORT kits in fiscal year 1986. In addition, the Committee recommends $54,000,000 in accordance with authorization action for an additional six MK-92 CORT systems. The Committee's recommendation represents an increase of $54,000,000 from the budget request.

### VERTICAL LAUNCH SYSTEM

The Navy budgeted $137,767,000 for the Vertical Launch System program. The Committee recommends $131,339,000, a reduction of $6,428,000 from the request. The recommendation is based on lower than anticipated unit costs.

### MK-116 FIRE CONTROL SYSTEM

The Navy requested $40,929,000 for the MK-116 fire control system. Included in this request is $26,705,000 for the SQQ-89 onboard trainer. Because of the delays in awarding the fiscal year 1985 contract and the Navy's deletion of the fiscal year 1986 Other Procurement trainer requirements, the Committee believes that the remaining number of units to be procured constitute a sufficient quantity for second sourcing. Since the drawing/reprocurement package will be available in the fiscal year 1986 timeframe, the opportunity to increase competition is available at this time. Accordingly, the Committee recommmends a total of $14,224,000 for the MK-116 fire control system and that the funding request for the SQQ-89 on-board trainer be denied. The Committee directs the Navy use the fiscal year 1987 funds to prepare a second source for qualification in order to execute a dual source award for fiscal year 1988.

### AN/SQQ-89 ACOUSTIC VIDEO PROCESSOR

In reports accompanying the Defense Appropriations Bills for fiscal year 1985 and 1986, the Congress directed the Navy to establish a lower cost second source acoustic video generator alternative in an effort to reduce the overall cost of the AN/SQQ-89 ASW combat suite. The Committee has been completely dissatisfied with the progress shown to date and with the direction being taken in some instances. In view of the support this particular competiton effort has received from the Congress, the Competition Advocate, and the Secretary of the Navy as set forth in the hearings, it is difficult for the Committee to excuse the continued delays.

The Committee believes that progress in other related system hardware can be stymied by the lack of progress in the Accoustic Video Processor (AVP). This competition must be expedited. A successful competition in this area and the total SQQ-89 suite serve as a model for competing other presently sole source components of the AN/UYQ-21 Standard Navy Tactical Display System.

The Committee is disturbed by the Navy's lack of consistency in acquisition strategy for the remaining components of the UYK-21 system. It appears that the Navy will continue the dominant position of the present sole source supplier to a degree that is not consistent with the position of the Congress and the Secretary of the Navy favoring competition. Additionally, the Navy's approach appears to prolong the use of obsolete 1970's technology and fails to properly take advantage of modern signal processing and color graphics displays. The Committee believes that there is an adequate industrial base capable of providing low risk advanced technology for the components of this system. Competition would be enhanced by upgrading the technology, giving the government the twin benefits of lower cost through competition and improved operational capability through updated technology.

### QUICKSTRIKE MINE

The Navy requested $29,852,000 for the Quickstrike mine program. Last year, the Committee expressed it's concern over the continued delays in executing the fiscal year 1985 Quickstrike program. The fiscal year 1986 program is currently in the competitive process which the Committee supports. The Committee, however, believes it is important to complete this process in a timely fashion. Because of the delays associated with the fiscal year 1986 contract award, the Committee recommends a total of $37,735,000 for the Quickstrike program consisting of no new budget authority and $37,735,000 in unobligated fiscal year 1986 Quickstrike funds. The budget authority recommendation represents a reduction of $29,852,000 from the budget request.

## CIVIL ENGINEERING SUPPORT EQUIPMENT

### AMPHIBIOUS EQUIPMENT

The Navy requested $32,987,000 for amphibious support equipment. Last year, this account included $13,977,000 for the off-shore petroleum distribution system. For reasons that were discussed in the Other Procurement, Army section of this report, the Committee recommends a total of $46,964,000 consisting of $32,987,000 in new obligational authority and $13,977,000 in unobligated fiscal year 1986 amphibious support equipment funds. The budget authority recommendation represents no change to the budget request.

### FLEET HOSPITALS

The Navy budgeted $110,548,000 for Fleet Hospitals. The Committee recommends $18,748,000, a reduction of $91,800,000 from the request. This recommendation is discussed under the "Military Health Care" heading in the Operation and Maintenance section of this report.

## PERSONNEL AND COMMAND SUPPORT EQUIPMENT

### NAVY ADP

The Navy budgeted $221,279,000 for procurement of general purpose computer equipment in fiscal year 1987. The Committee recommends a reduction of $52,200,000 corresponding to the authorized levels for this account. The reduction should be distributed as follows:

[In millions of dollars]

| | |
|---|---|
| Stock Point Logistics Integrated Communications Environment (SPLICE) | –$13.8 |
| Naval Air Command MIS (NALCOMIS) | –13.9 |
| Bases and Stations Information System (BASIS) | –2.8 |
| Trident Logistics Data System | –1.6 |
| Shipyear/Ordnance Eclectic System (SHORES) | –11.5 |
| Undistributed | –8.6 |
| Total | –52.2 |

The Committee recommends that no funds in either procurement or operation and maintenance be provided for SPLICE installations in fiscal year 1987. This initiative, whose life cycle cost exceeds $256,000,000, is long overdue for an oversight review by the Office of the Secretary of Defense. Remaining SPLICE funds can be used to justify the program to OSD, maintain systems already in place, and for program management.

The Committee is concerned that the NALCOMIS program schedule does not allow sufficient time for evaluation and correction of potential deficiencies disclosed by testing. In view of the significant investment made by Congress in this initiative, the Committee wants assurances that NALCOMIS works before it is deployed worldwide. The Committee directed that the Office of the Secretary of Defense conduct an oversight review of NALCOMIS in fiscal year 1986, but it has not been informed of the results of the review. Fiscal year 1987 funding for deployment of NALCOMIS systems is denied by the Committee, other than for aircraft carriers scheduled for NALCOMIS equipment in fiscal year 1987.

The Trident Logistics Data System, whose life cycle cost exceeds $478,000,000, begs for an oversight review by the Office of the Secretary of Defense. The Trident is the only class of ship that has a dedicated stock point for supply support. The General Accounting Office reports that justification for a separate Trident stock point computer at Kings Bay, Georgia, based on workload, would be suspect. At most, the computer would need to support one squadron of submarines. At the rate Tridents are built, the computer would serve no more than three ships at one time before being replaced under the Stock Point ADP Replacement (SPAR) project. The Committee recommends that no funds be provided.

The Navy provided a fact sheet to the Committee indicating that the life cycle cost of SHORES would be between $48,000,000 and $1,200,000,000. This much uncertainty in the cost estimate, coupled with the lack of proper OSD oversight review, makes the funding request in fiscal year 1987 premature. The Committee recommends no funds for this purpose.

Finally, the Navy testified that the life cycle cost for BASIS would be under $100,000,000 and therefore it would be exempt from OSD oversight. However, the Committee's Surveys and Investigations staff reports that internal Navy records indicate that BASIS will cost at least $193,000,000 million. The Committee feels that BASIS should be a special interest item, to be formally reviewed and approved by the Comptroller of the Defense Department prior to significant expenditure of funds. The Committee therefore recommends that no funds be appropriated for BASIS in fiscal year 1987.

The Committee directs the Comptroller of the Defense Department to review and approve the requirements determination, economic analyses, acquisition strategy, and implementation plans for these systems through a formal oversight review for each of the above named systems in fiscal year 1987. In summary the Committee recommends $169,079,000, a reduction of $52,200,000.

## SPARES AND REPAIR PARTS

The Navy budgeted $323,892,000 for Spares and Repair Parts, the Committee recommends $294,589,000, a reduction of $29,303,000 from the request corresponding to program reductions in the Committee recommendations.

## PRIOR YEAR SAVINGS

The Committee recommends a reduction of $19,419,000 for Other Procurement, Navy to be offset by use of $14,419,000 in fiscal year 1986 and $5,000,000 in fiscal year 1985 unobligated appropriations to fund part of the fiscal year 1987 Other Procurement, Navy request. These prior year savings are not needed to fund fiscal year 1987 requirements under their respective line items. They include:

| | Fiscal year— | | Total |
|---|---|---|---|
| | 1986 | 1985 | |
| AN/BRD-7/8/9 | $12,148,000 | | $12,148,000 |
| Ashore mobile contingency comm system vans | 1,679,000 | | 1,679,000 |
| PLRS (KG-58/KGV-6) | 592,000 | | 592,000 |
| ICAD | | $5,000,000 | 5,000,000 |
| | 14,419,000 | 5,000,000 | 19,419,000 |

## GENERAL REDUCTION

The Committee recommends a general reduction of $200,000,000 to be distributed among budget activities under this appropriation as follows:

| | |
|---|---|
| Ship support equipment | $50,000,000 |
| Communications and electronic equipment | 90,000,000 |
| Ordnance support equipment | 60,000,000 |
| | 200,000,000 |

In recent years the Navy has budgeted program levels under this appropriation, which it has been unable to execute according to its own plans. In fiscal year 1985, for instance, the error for the projected unobligated balances amounted to about $815 million that the Navy failed to obligate according to its plan. The Committee urges the Navy to base future budget requests on more realistic projections.

### INFLATION ADJUSTMENT

As discussed in the beginning of the Procurement section of this report, the Committee recommends an inflation adjustment of $59,600,000.

## PROCUREMENT, MARINE CORPS

| | |
|---|---|
| Appropriations, 1986 | $1,660,766,000 |
| Adjusted Base, 1986 | 1,579,388,000 |
| New obligational authority, 1987: | |
| Estimate | 1,565,000,000 |
| Recommended | 1,444,896,000 |
| Decrease | 120,104,000 |
| Total recommended in the bill | [1] 1,471,396,000 |

[1] Includes $1,444,896,000 in new obligational authority, and in addition $26,500,000 in prior year unobligated balances of which $7,100,000 is to be derived by transfer from "Procurement, Marine Corps, 1985/1987", and $19,400,000 is to be derived by transfer from "Procurement, Marine Corps, 1986/1988".

This appropriation provides the Marine Corps with funds for procurement, delivery, and modification of missiles, armament, ammunition, communication equipment, tracked and wheeled vehicles, and various support equipment.

### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

|  | BUDGET REQUEST |  | COMMITTEE RECOMMENDED |  | CHANGE FROM REQUEST |  |
|---|---|---|---|---|---|---|
|  | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| PROCUREMENT, MARINE CORPS |  |  |  |  |  |  |
| AMMUNITION |  |  |  |  |  |  |
| LINEAR CHARGES: |  |  |  |  |  |  |
| SMALL ARMS AMMO: |  |  |  |  |  |  |
| CTG 5.56MM BALL M855 | 81,737 | 14.745 | 81,737 | 14.745 | -- | --- |
| CTG 9MM BALL M882 | 35,758 | 3.794 | 35,758 | 3.794 | -- | --- |
| MACHINE GUN AMMO: |  |  |  |  |  |  |
| CTG 5.56MM LINKED (SAW) | 6,831 | 2,148 | 6,831 | 2,148 | -- | --- |
| CTG CAL 50 LINKED | 2976,111 | 3,458 | 2976,111 | 3,458 | -- | --- |
| CTG 25MM APDS-T M791 | 103,381 | 1,738 | 103,381 | 1,738 | -- | --- |
| CTG 25MM HEI-T M792 | 128,000 | 2,526 | 128,000 | 2.526 | -- | --- |
| CTG 40MM LINKED M430 | 1689,137 | 18,134 | 1689,137 | 18,134 | -- | --- |
| CTG 7.62MM LINKED M80 | 16,155 | 4,000 | 16,155 | 4,000 | -- | --- |
| MORTAR AMMO: |  |  |  |  |  |  |
| CTG 60MM HE M888 | 94,777 | 3,603 | 94,777 | 3,603 | -- | --- |
| CTG 60MM SMOKE WP M302 A1 | 106,916 | 7,520 | 106,916 | 7,520 | -- | --- |
| CTG 81MM HE M821 | 200,329 | 41,400 | 200,329 | 41,400 | -- | --- |
| CTG 81MM HE M889 | 564,685 | 91,767 | 325,671 | 53,084 | -239,014 | -38,683 |
| CTG 81MM SMK M819 | 72,496 | 15,262 | 72,496 | 15,262 | -- | --- |
| CTG 81MM ILLUM M853 | 278,647 | 57,223 | 278,647 | 57,223 | -- | --- |
| GRENADES: |  |  |  |  |  |  |
| GRENADE SMOKE SCREEN (IR) | 44,320 | 3,991 | 44,320 | 3,991 | -- | --- |
| GRENADE SMOKE SCREEN (RP) | 71,527 | 3,000 | 71,527 | 3,000 | -- | --- |
| SIGNAL ILLUM WSP | 56,633 | 1,320 | 56,633 | 1,320 | -- | --- |
| ROCKETS: |  |  |  |  |  |  |
| ROCKET 83MM (SMAW) | 25,274 | 26,245 | 25,274 | 26,245 | -- | --- |
| ROCKET 5 INCH MOTOR | 1,216 | 3,995 | 1,216 | 3,995 | -- | --- |
| LIGHT ANTI ARMOR WEAPON AT-4 | 15,696 | 11,040 | 15,696 | 11,040 | -- | --- |
| TRAINING AMMO: |  |  |  |  |  |  |
| CTG 40MM TP | 240,575 | 1,611 | 240,575 | 1,611 | -- | --- |
| CTG 81MM TP XM879 | 64,381 | 4,770 | 64,381 | 4,770 | -- | --- |
| LINE CHARGE PRAC (TRLR) | 370 | 3,184 | 370 | 3,184 | -- | --- |
| CTG 25MM TP-T M793 | 309,811 | 3,653 | 309,811 | 3,653 | -- | --- |
| ROCKET 83MM PRACTICE | 13,356 | 11,035 | 13,356 | 11,035 | -- | --- |
| CTG 5.56MM BLANK LKD (SAW) | 4,858 | 1,078 | 4,858 | 1,078 | -- | --- |
| CTG 5.56MM BLANK M200 | 30,988 | 3,427 | 30,988 | 3,427 | -- | --- |
| CTG 7.62MM BLANK LINKED | 11,241 | 2,359 | 11,241 | 2,359 | -- | --- |
| 155MM AMMO: |  |  |  |  |  |  |
| CHG PROP RB M203A1 | 76,534 | 19,900 | 76,534 | 19,900 | -- | --- |
| PROJ 155MM ADAM-L M692 | 10,385 | 38,798 | 2,000 | 7,000 | -8,385 | -31,798 |
| PROJ 155MM ADAM-S M731 | 10,973 | 40,995 | 2,000 | 7,893 | -8,973 | -33,102 |
| PROJ 155MM RAAMS-L M718 | 13,237 | 16,999 | -- | --- | -13,237 | -16,999 |
| PROJ 155MM RAAMS-S M741 | 17,129 | 21,997 | -- | --- | -17,129 | -21,997 |
| PROJ 155MM HE ICM (DP)M483 | 122,944 | 48,023 | 61,944 | 24,223 | -61,000 | -23,800 |
| CHARGE PROP 155MM WHITE BAG M4A2 | 240,291 | 15,336 | 240,291 | 15,336 | -- | --- |
| 155MM PROJ COPPERHEAD | -- | 37,831 | -- | 37,831 | -- | --- |
| FUZES: |  |  |  |  |  |  |
| FUZE MECHANICAL TIME (MT) | 86,484 | 4,896 | 86,484 | 4,896 | -- | --- |
| POINT DETONATING (PD) | -- | 7,997 | -- | 7,997 | -- | --- |
| AMMO MODERNIZATION | -- | 4,194 | -- | 4,194 | -- | --- |
| OTHER SUPPORT |  |  |  |  |  |  |
| ITEMS LESS THAN $900K | -- | 3,331 | -- | 3,331 | -- | --- |
| GENERAL INCREASE, AMMUNITION | -- | --- | -- | 140,000 | -- | +140,000 |
| TOTAL, AMMUNITION |  | 608,323 |  | 581,944 |  | -26,379 |
| WEAPONS AND COMBAT VEHICLES |  |  |  |  |  |  |
| TRACKED COMBAT VEHICLES |  |  |  |  |  |  |
| AAV7A1 PIP | 100 | 14,268 | 100 | 14,268 | -- | --- |
| MODIFICATION KITS (TRKD VEH) | -- | 1,005 | -- | 1,005 | -- | --- |
| BRIDGE, ARMORED VEH LAUNCHED | 8 | 4,480 | 8 | 4,480 | -- | --- |
| ARTILLERY AND OTHER WEAPONS |  |  |  |  |  |  |
| POS AZIMUTH DETERM SYS (PADS) | 17 | 5,633 | -- | --- | -17 | -5,633 |
| M198 155MM HOWITZER | 94 | 44,954 | 94 | 44,954 | -- | --- |
| ITEMS LESS THAN $900K (ATL-OTH) | -- | 1,295 | -- | 1,295 | -- | --- |
| WEAPONS |  |  |  |  |  |  |
| 9MM HANDGUN | 22,181 | 5,432 | 22,181 | 4,532 | -- | -900 |
| MACHINE GUN, AUTO SAW 5.56MM | 1,000 | 3,440 | 1,000 | 2,740 | -- | -700 |
| M-16 5.56MM RIFLE | 17,725 | 7,865 | 17,725 | 7,865 | -- | --- |
| MK-19 40MM MACHINE GUN | 189 | 1,912 | 189 | 1,012 | -- | -900 |
| MOR,81, MED. EXTENDED RANGE | 350 | 7,467 | 250 | 5,267 | -100 | -2,200 |
| TOTAL, WEAPONS AND COMBAT VEHICLES |  | 97,751 |  | 87,418 |  | -10,333 |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST QTY | BUDGET REQUEST AMOUNT | COMMITTEE RECOMMENDED QTY | COMMITTEE RECOMMENDED AMOUNT | CHANGE FROM REQUEST QTY | CHANGE FROM REQUEST AMOUNT |
|---|---|---|---|---|---|---|
| GUIDED MISSILES AND EQUIPMENT | | | | | | |
| GUIDED MISSILES | | | | | | |
| HAWK | 430 | 115,372 | 430 | 115,372 | -- | --- |
| HAWK MOD | -- | 24,269 | -- | 24,269 | -- | --- |
| STINGER | 1,442 | 69,284 | 1,442 | 69,284 | -- | --- |
| TOW | 3,400 | 33,524 | 3,400 | 32,324 | -- | -1,200 |
| OTHER SUPPORT | | | | | | |
| MODIFICATION KITS | -- | 744 | -- | 744 | -- | --- |
| TOTAL, GUIDED MISSILES AND EQUIPMENT | | 243,193 | | 241,993 | | -1,200 |
| COMMUNICATIONS AND ELECTRONICS EQUIPMENT | | | | | | |
| MANPACK RADIOS | | | | | | |
| MANPACK RADIOS AND EQUIP | -- | 2,662 | -- | 2,662 | -- | --- |
| VEHICLE MOUNTED RADIOS AND EQUIPMENT | | | | | | |
| VEHICLE MTD RADIOS & EQUIPMENT | -- | 1,482 | -- | 1,482 | -- | --- |
| TELEPHONE AND TELETYPE EQUIPMENT | | | | | | |
| UNIT LEVEL CIRCUIT SWITCH (ULCS) | -- | 74,199 | -- | 74,199 | -- | --- |
| ULCS LIFE CYCLE SUPPORT | -- | 8,035 | -- | 8,035 | -- | --- |
| TACT COMM CENTER EQUIP | 13 | 199 | 13 | 199 | -- | --- |
| AN/PSC( ) DIGITAL COMM TERMINAL | 472 | 15,174 | 472 | 15,174 | -- | --- |
| REPAIR AND TEST EQUIPMENT | | | | | | |
| AUTO TEST EQUIP SYS | 51 | 6,145 | 51 | 6,145 | -- | --- |
| CALIBRATION FACILITY ELECTRONIC | -- | 9,830 | -- | 9,830 | -- | --- |
| MAINTENANCE COMPLEX, ELECTRONIC | -- | 10,599 | -- | 10,599 | -- | --- |
| ELECTRONIC TEST EQUIP (TEL) | 10 | 2,706 | 10 | 2,706 | -- | --- |
| OTHER COMM/ELEC EQUIPMENT | | | | | | |
| ANDVT/TACTERM | 75 | 2,681 | 75 | 2,681 | -- | --- |
| OTHER SUPPORT (TEL) | | | | | | |
| TEST CALIB + MAINT SPT | -- | 1,638 | -- | 1,638 | -- | --- |
| MODIFICATION KITS (TEL) | 1 | 3,690 | 1 | 3,690 | -- | --- |
| ITEMS LESS THAN $900K (TEL) | -- | 811 | -- | 811 | -- | --- |
| COMMAND + CONTROL SYSTEMS (NON-TEL) | | | | | | |
| TACTICAL AIR OPER MODULE (TAOM) | 7 | 50,458 | 7 | 50,458 | -- | --- |
| AN/UYQ 4 SEMI AUTO.DIRECT AIR SUPPORT CENTRAL | -- | 6,310 | -- | 6,310 | -- | --- |
| INTELL/COMM EQUIPMENT (NON-TEL) | | | | | | |
| MOBILE EW SUP SYS (MEWSS) | 12 | 15,367 | 12 | 15,367 | -- | --- |
| REPAIR + TEST EQUIPMENT (NON-TEL) | | | | | | |
| ELECTRONIC TUBE REPAIR FACILITY | 6 | 4,684 | 6 | 4,684 | -- | --- |
| STE/ICE SIMPL TEST EQ | 264 | 1,296 | 264 | 1,296 | -- | --- |
| MECH TEST TMDE | 1 | 2,446 | 1 | 2,446 | -- | --- |
| ELECTRONIC TEST EQUIP (NONTEL) | -- | 3,344 | -- | 3,344 | -- | --- |
| OTHER COMM/ELEC EQUIPMENT (NON-TEL) | | | | | | |
| NIGHT VISION EQUIPMENT | -- | 1,927 | -- | 1,927 | -- | --- |
| ADP EQUIPMENT | -- | 46,125 | -- | 46,125 | -- | --- |
| OTHER SUPPORT (NON-TEL) | | | | | | |
| TEST CALIB & MAINT SPT (NON-TEL) | -- | 1,638 | -- | 1,638 | -- | --- |
| MODIFICATION KITS (NONTEL) | 13 | 4,445 | 13 | 4,445 | -- | --- |
| ITEMS LESS THAN $900K (NONTEL) | -- | 970 | -- | 970 | -- | --- |
| TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIPMENT | | 278,861 | | 278,861 | | --- |
| SUPPORT VEHICLES | | | | | | |
| ADMINISTRATIVE VEHICLES | | | | | | |
| COMMERCIAL PASSENGER VEHICLES | -- | 2,278 | -- | --- | -- | -2,278 |
| COMMERCIAL CARGO VEHICLES | 1 | 3,814 | -- | --- | -1 | -3,814 |
| TACTICAL VEHICLES | | | | | | |
| 5/4T TRUCK HMMWV | 743 | 18,760 | 743 | 18,760 | -- | --- |
| 5 TON RETROFIT | 209 | 5,230 | 209 | 5,230 | -- | --- |
| LOGISTICS VEHICLE SYSTEM | 1,210 | 103,994 | 800 | 71,394 | -410 | -32,600 |
| TRAILERS, ALL TYPES | -- | 7,656 | -- | 5,356 | -- | -2,300 |
| TRAILERS, ALL TYPES (BY TRANSFER) | -- | --- | -- | (2,300) | -- | (+2,300) |
| LUBE AND SERVICE UNIT 15CFM | 39 | 755 | 39 | 755 | -- | --- |
| OTHER SUPPORT | | | | | | |
| MODIFICATION KITS | -- | 3,194 | -- | 3,194 | -- | --- |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| ITEMS LESS THAN $900K | -- | 388 | -- | 388 | -- | --- |
| TOTAL, SUPPORT VEHICLES | | 146,069 | | 105,077 | | -40,992 |
| ENGINEER AND OTHER EQUIPMENT | | | | | | |
| ENGINEER AND EQUIPMENT | | | | | | |
| ENVIRONMENTAL CONTROL EQ ASSORT | -- | 1,445 | -- | 1,445 | -- | --- |
| HEAVY RT CRANE | 71 | 26,027 | 71 | 26,027 | -- | --- |
| GRADER ROAD MOTORIZED | 63 | 4,407 | 63 | 4,407 | -- | --- |
| TRACTORS, ALL TYPES | -- | 30,090 | -- | 30,090 | -- | --- |
| FORKLIFTS, ALL TYPES | -- | 6,879 | -- | 6,879 | -- | --- |
| LAUNDRY UNIT SKID MTD | 60 | 2,744 | 60 | 2,744 | -- | --- |
| FIELD BATH SHOWER UNIT | 100 | 2,431 | 100 | 2,431 | -- | --- |
| REFRIGERATION UNIT | 272 | 684 | 272 | 684 | -- | --- |
| REV OSMOSIS/WATER PUR 600 GL | 34 | 4,184 | 34 | 4,184 | -- | --- |
| FIELD WIRING HARNESS | 749 | 5,375 | 749 | 5,375 | -- | --- |
| FUEL & WATER PUMP & STORAGE MODULE | -- | 4,880 | -- | 4,880 | -- | --- |
| SURVEY EQUIP F/CONST USE | 16 | 924 | 16 | 924 | -- | --- |
| WET GAP BRIDGE SYSTEM | 168 | 6,190 | 168 | 6,190 | -- | --- |
| BOAT BRIDGE | 14 | 1,698 | 14 | 1,698 | -- | --- |
| POWER EQUIPMENT ASSORTED | -- | 5,999 | -- | 5,999 | -- | --- |
| MOB ELECT POWER DIST SYS (MEPDIS) | 4 | 2,976 | 4 | 2,976 | -- | --- |
| MATERIALS HANDLING EQUIPMENT | | | | | | |
| COMMAND SUPPORT EQUIPMET | -- | 10,506 | -- | 10,506 | -- | --- |
| GARRISON MOBILE ENGR EQUIP | -- | 3,975 | -- | 3,975 | -- | --- |
| TELEPHONE SYSTEM | -- | 5,226 | -- | 5,226 | -- | --- |
| AUTO MAT HANDLING EQUIP | -- | 1,035 | -- | 1,035 | -- | --- |
| HQMC ITEMS | -- | 1,307 | -- | 1,307 | -- | --- |
| MATERIEL HANDLING EQUIP | -- | 2,309 | -- | 2,309 | -- | --- |
| GENERAL PROPERTY | | | | | | |
| TRN DEVICES (AUDIO VISUAL) | -- | 1,761 | -- | 1,761 | -- | --- |
| TRN DEVICES (SIMULATORS) | 1 | 5,615 | 1 | 5,615 | -- | --- |
| SHELTER FAMILY | 326 | 7,154 | 326 | 7,154 | -- | --- |
| CONTAINER FAMILY | 10,570 | 15,163 | 10,570 | 15,163 | -- | --- |
| DECON APPARATUS PWR DRIVEN | 18 | 321 | 18 | 321 | -- | --- |
| SANITATION EQUIPMENT KITCHEN | 78 | 1,252 | 78 | 1,252 | -- | --- |
| OTHER SUPPORT | | | | | | |
| MODIFICATION KITS | -- | 354 | -- | 354 | -- | --- |
| ITEMS LESS THAN $900K | -- | 3,218 | -- | 3,218 | -- | --- |
| TOTAL, ENGINEER AND OTHER EQUIPMENT | | 166,129 | | 166,129 | | --- |
| SPARES & REPAIR PARTS | | | | | | |
| SPARES & REPAIR PARTS | -- | 14,151 | -- | 14,151 | -- | --- |
| REPLENISHMENT SPARES | -- | 10,523 | -- | 10,523 | -- | --- |
| TOTAL, SPARES AND REPAIR PARTS | | 24,674 | | 24,674 | | --- |
| PY PROGRAM SAVINGS | -- | --- | -- | -24,200 | -- | -24,200 |
| PY PROGRAM SAVINGS (BY TRANSFER) | -- | --- | -- | (24,200) | -- | (+24,200) |
| INFLATION SAVINGS, FY87 | -- | --- | -- | -17,000 | -- | -17,000 |
| TOTAL, PROCUREMENT, MARINE CORPS | | 1,565,000 | | 1,444,896 | | -120,104 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (26,500) | | (+26,500) |
| TOTAL FUNDING AVAILABLE | | 1,565,000 | | 1,471,396 | | -93,604 |

## COMMITTEE RECOMMENDATIONS

### AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with authorization action:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from request |
|---|---|---|---|
| 9mm Handgun | $5,432 | $4,532 | -$900 |
| 5.56mm SAW | 3,440 | 2,740 | -700 |
| MK-19 40mm Machine Gun | 1,912 | 1,012 | -900 |
| 81mm Mortar | 7,467 | 5,267 | -2,200 |
| TOW Missile | 33,524 | 32,324 | -1,200 |
| Comm Passenger Vehicles | 2,278 | | -2,278 |
| Comm Cargo Vehicles | 3,814 | | -3,814 |
| Logistics Vehicle System | 103,994 | 71,394 | -32,600 |

### AMMUNITION

The Committee recommends the following reductions in ammunition line items in conformance with recommendations made in Procurement of Ammunition, Army and/or because deliveries are beyond the funded delivery period:

[Dollars in thousands]

| Item | Budget | Recommended | Change |
|---|---|---|---|
| 81mm Mortar HE | $133,167 | $94,484 | -$38,683 |
| 155mm ADAM | 79,793 | 14,893 | -64,900 |
| 155mm RAAM | 38,996 | | -38,996 |
| 155mm ICM | 48,023 | 24,223 | -23,800 |

### GENERAL INCREASE

The Committee recommends a general increase of $140,000,000 for Marine Corps ammunition to bring this budget activity close to the House authorization. The Marine Corps is directed to submit to the Committee for approval the allocation of this funding, along with associated justification material.

### AMMUNITION BUDGET FORMAT

In last year's report, the Committee directed the Marine Corps to submit its ammunition budget in the same breakout as that used by the Army. The Marine Corps ignored this direction. The Committee restates its direction and expects the fiscal year 1988 P-1 document to use the breakout in the table above. This breakout applies to all years in the P-1.

## WEAPONS AND COMBAT VEHICLES

### AAV-7A1 PRODUCT IMPROVEMENT PROGRAM

The Marine Corps budgeted $14,268,000 for the initial procurement of AAV-7A1 product improvements. The proposed program is estimated to cost $107,000,000 and includes three improvements: applique armor, a bowplane, and an upgunned weapons station. Testimony revealed, however, that the Marine Corps is considering at least seven additional improvements in the outyears. The Committee notes that several hundred million dollars has been spent in recent years on a major Service Life Extension Program for these vehicles. While recommending the budget request for this program, the Committee cautions the Marine Corps that it should carefully consider the cost and operational implications of any improvements beyond the first three. The Committee directs the Maine Corps to advise the Committee of its plans when the fiscal year 1988 budget is submitted.

### POSITION AZIMUTH DETERMINING SYSTEM

The Marine Corps budgeted $5,633,000 for procurement of 17 Position Azimuth Determining Systems (PADS). Last year, the Committee asked the Army, as the lead service, to prepare a position navigation master plan which showed the relationship between PADS and other less expensive alternatives. The plan has not yet been submitted. The Committee believes that until there is a uniform policy and plan, no additional PADS should be procured. In recommending no procurement funding in fiscal year 1987, the Committee notes that prior year procurements have satisfied the requirements for the active forces.

## COMMUNICATIONS AND ELECTRONICS EQUIPMENT

### UNIT LEVEL CIRCUIT SWITCH

The Marine Corps budgeted $74,199,000 for procurement of the Unit Level Circuit Switch (ULCS). An additional $8,035,000 was budgeted for ULCS life cycle support. Last year, the Committee directed that no more than four ULCS switches be procured until additional testing was undertaken. The Marine Corps has since restructured the ULCS program in apparent response to the stated concerns of the Committee. However, the extent of participation by the other services and the contractual situation resulting from a bid protest, leave the program in some uncertainty. While recommending the budgeted amount for ULCS, the Committee directs the Marine Corps to continue to keep it informed on its procurement and program plans.

## SUPPORT VEHICLES

### TRAILERS

The Marine Corps budgeted $7,656,000 for procurement of trailers. In fiscal year 1986, $2,300,000 was appropriated for procurement of the XM-1000 Heavy Equipment Trailer, a joint Army-

Marine Corps program. The Army has postponed its procurement until fiscal year 1988. Therefore, the fiscal year 1986 XM-1000 funds are no longer needed and can be transferred to offset a reduction in fiscal year 1987. The Committee recommends $5,356,000 for trailers, a reduction of $2,300,000 which is offset by a transfer from fiscal year 1986.

### PRIOR YEAR PROGRAM SAVINGS

The Committee has learned that the following prior year funds are no longer required for the purpose for which appropriated:

[Dollars in thousands]

| *Item* | *Amount* |
|---|---|
| Fiscal Year 1986: | |
| Meteorological Data System | $2,700 |
| Five Ton Truck | 11,000 |
| Battery Computer System | 3,400 |
| Subtotal | 17,100 |
| Fiscal Year 1985: | |
| HAWK | 2,600 |
| Modular Universal Laser Equip | 2,500 |
| Mobile Fuel Pump | 2,000 |
| Subtotal | 7,100 |

The Committee recommends a general reduction of $24,200,000 in Procurement, Marine Corps. The reduction is offset by prior year transfers as noted above.

### INFLATION ADJUSTMENT

As discussed in the beginning of the Procurement section of this report, the Committee recommends an inflation adjustment of $17,000,000.

## AIRCRAFT PROCUREMENT, AIR FORCE

| | |
|---|---|
| Appropriations, 1986 | $23,255,424,000 |
| Adjusted Base, 1986 | 22,115,908,000 |
| New obligational authority, 1987: | |
| Estimate | 19,127,400,000 |
| Recommended | 16,202,251,000 |
| Decrease | 2,925,149,000 |
| Total recommended in the bill | [1] 16,808,551,000 |

[1] Includes $16,202,251,000 in new obligational authority, and in addition $606,300,000 in prior year unobligated balances to be derived by transfer of $257,000,000 from "Aircraft Procurement, Air Force, 1986/1988", and $349,300,000 from "Aircraft Procurement, Air Force, 1985/1987".

This appropriation provides for procurement of aircraft, and for modification of in-service aircraft to improve safety and enhance operational effectiveness. It also provides for investment spares and repair parts including spare engines, replenishment spares, and other support equipment to include aerospace ground equipment and industrial facilities. In addition, funds are provided for the procurement of flight training simulators to increase combat readiness and to provide for more economical training.

## PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| AIRCRAFT PROCUREMENT, AIR FORCE | | | | | | |
| COMBAT AIRCRAFT | | | | | | |
| STRATEGIC OFFENSIVE | | | | | | |
| TACTICAL FORCES | | | | | | |
| AIR DEFENSE COMPETITION | 20 | 296,300 | 20 | 296,300 | -- | --- |
| AIR DEFENSE COMPETITION (AP-CY) | -- | 114,600 | -- | 114,600 | -- | --- |
| F-15 D/E | 48 | 1,675,400 | 36 | 1,393,800 | -12 | -281,600 |
| F-15 D/E (AP-CY) | -- | 218,900 | -- | 152,200 | -- | -66,700 |
| F-16 C/D (MYP) | 216 | 2,881,900 | 180 | 2,256,300 | -36 | -625,600 |
| F-16 C/D (MYP) (AP-CY) | -- | 612,000 | -- | 462,600 | -- | -149,400 |
| OTHER COMBAT AIRCRAFT | | | | | | |
| KC-10A (ATCA) (MYP) | 8 | 104,400 | 8 | 89,000 | -- | -15,400 |
| AC-130H GUNSHIP (AP-CY) | -- | 18,200 | -- | --- | -- | -18,200 |
| MC-130H | 5 | 229,700 | 5 | 229,700 | -- | --- |
| MC-130H (AP-CY) | -- | 15,100 | -- | 15,100 | -- | --- |
| TOTAL, COMBAT AIRCRAFT | | 6,166,500 | | 5,009,600 | | -1,156,900 |
| AIRLIFT AIRCRAFT | | | | | | |
| STRATEGIC AIRLIFT | | | | | | |
| C-5B | 21 | 1,937,378 | 21 | 1,919,278 | -- | -18,100 |
| TACTICAL AIRLIFT | | | | | | |
| C-17 | -- | 182,300 | -- | 145,300 | -- | -37,000 |
| C-17 (AP-CY) | -- | 35,000 | -- | 35,000 | -- | --- |
| OTHER AIRLIFT | | | | | | |
| VC-X | -- | 34,500 | -- | --- | -- | -34,500 |
| TOTAL, AIRLIFT AIRCRAFT | | 2,189,178 | | 2,099,578 | | -89,600 |
| TRAINER AIRCRAFT | | | | | | |
| UPT TRAINERS | | | | | | |
| T-46A (NGT) | -- | --- | 12 | 124,000 | +12 | +124,000 |
| T-46A (NGT) (AP-CY) | -- | --- | -- | 27,000 | -- | +27,000 |
| TOTAL, TRAINER AIRCRAFT | | --- | | 151,000 | | +151,000 |
| OTHER AIRCRAFT | | | | | | |
| HELICOPTERS | | | | | | |
| MISSION SUPPORT AIRCRAFT | | | | | | |
| CIVIL AIR PATROL A/C | 38 | 1,600 | 38 | 1,600 | -- | --- |
| TR-1/U-2 | 3 | 94,549 | 3 | 89,549 | -- | -5,000 |
| TOTAL, OTHER AIRCRAFT | | 96,149 | | 91,149 | | -5,000 |
| MODIFICATION OF INSERVICE AIRCRAFT | | | | | | |
| STRATEGIC AIRCRAFT | | | | | | |
| B-52 | -- | 413,400 | -- | 397,200 | -- | -16,200 |
| FB-111 | -- | 3,300 | -- | 3,300 | -- | --- |
| B-1B | -- | 96,400 | -- | 96,400 | -- | --- |
| TACTICAL AIRCRAFT | | | | | | |
| A-7 | -- | 14,100 | -- | 14,100 | -- | --- |
| A-10 | -- | 52,600 | -- | 52,600 | -- | --- |
| F/RF-4 | -- | 119,400 | -- | 119,400 | -- | --- |
| F-5 | -- | 5,500 | -- | 5,500 | -- | --- |
| F-15 | -- | 269,000 | -- | 103,300 | -- | -165,700 |
| F-15 (BY TRANSFER) | -- | --- | -- | (78,700) | -- | (+78,700) |
| F-16 | -- | 87,700 | -- | 87,700 | -- | --- |
| F-111 | -- | 273,200 | -- | 271,900 | -- | -1,300 |
| TR-1A | -- | 9,300 | -- | 9,300 | -- | --- |
| AIRLIFT AIRCRAFT | | | | | | |
| C-5 | -- | 46,800 | -- | 46,800 | -- | --- |
| C-9 | -- | 200 | -- | 200 | -- | --- |
| C-137 | -- | 200 | -- | 200 | -- | --- |
| C-141 | -- | 10,900 | -- | 10,900 | -- | --- |

[IN THOUSANDS OF DOLLARS]

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| TRAINER AIRCRAFT | | | | | | |
| T-38 | -- | 39,500 | -- | 39,500 | -- | --- |
| T-43 | -- | 400 | -- | 400 | -- | --- |
| OTHER AIRCRAFT | | | | | | |
| KC-10A (ATCA) | -- | 6,700 | -- | 6,700 | -- | --- |
| C-130 | -- | 212,900 | -- | 186,500 | -- | -26,400 |
| C-135 | -- | 1,077,400 | -- | 1,048,200 | -- | -29,200 |
| E-3 | -- | 33,500 | -- | 33,500 | -- | --- |
| E-4 | -- | 16,000 | -- | 16,000 | -- | --- |
| H-1 | -- | 11,200 | -- | 11,200 | -- | --- |
| H-3 AIRCRAFT SYSTEM | -- | 1,500 | -- | 21,500 | -- | +20,000 |
| HH-53 AIRCRAFT | -- | 55,300 | -- | 268,300 | -- | +213,000 |
| OTHER AIRCRAFT | -- | 153,300 | -- | 153,300 | -- | --- |
| OTHER MODIFICATIONS | | | | | | |
| CLASSIFIED PROJECTS | -- | 91,611 | -- | 81,611 | -- | -10,000 |
| GROUND PROXIMITY WARNING SYS | -- | --- | -- | 7,600 | -- | +7,600 |
| CIVIL RESERVE AIRLIFT FLEET (CRAF) | | | | | | |
| UNDISTRIBUTED MODS | -- | --- | -- | -7,300 | -- | -7,300 |
| TOTAL, MODIFICATION OF INSERVICE AIRCRAFT | | 3,101,311 | | 3,085,811 | | -15,500 |
| AIRCRAFT SPARES AND REPAIR PARTS | | | | | | |
| SPARES AND REPAIR PARTS | -- | 3,477,903 | -- | 2,767,803 | -- | -710,100 |
| AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES | | | | | | |
| COMMON GROUND EQUIPMENT | -- | 321,370 | -- | 262,670 | -- | -58,700 |
| INDUSTRIAL RESPONSIVENESS | -- | 38,400 | -- | 38,400 | -- | --- |
| WAR CONSUMABLES | -- | 51,100 | -- | 46,100 | -- | -5,000 |
| OTHER PRODUCTION CHARGES | -- | 3,685,489 | -- | 3,322,040 | -- | -363,449 |
| OTHER PRODUCTION CHARGES (BY TRANSFER) | -- | --- | -- | (40,300) | -- | (+40,300) |
| TOTAL, AIRCRAFT SUPPORT EQUIPMENT AND FACILITIE | | 4,096,359 | | 3,669,210 | | -427,149 |
| PY PROGRAM SAVINGS | -- | --- | -- | -487,300 | -- | -487,300 |
| PY PROGRAM SAVINGS (BY TRANSFER) | -- | --- | -- | (487,300) | -- | (+487,300) |
| INFLATION SAVINGS, FY87 | -- | --- | -- | -184,600 | -- | -184,600 |
| TOTAL, AIRCRAFT PROCUREMENT, AIR FORCE | | 19,127,400 | | 16,202,251 | | -2,925,149 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (606,300) | | (+606,300) |
| TOTAL FUNDING AVAILABLE | | 19,127,400 | | 16,808,551 | | -2,318,849 |

## COMMITTEE RECOMMENDATIONS

### AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with authorization action:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from request |
|---|---|---|---|
| F-15 | $1,675,400 | $1,393,800 | −$281,600 |
| F-15 Adv. Proc. | 218,900 | 152,200 | −66,700 |
| AC-130H Gunship Adv. Proc. | 18,200 | | −18,200 |
| C-17 | 182,300 | 145,300 | −37,000 |

[In thousands of dollars]

| | Budget request | Committee recommended | Change from request |
|---|---|---|---|
| VC-X | 34,500 | | −34,500 |
| T-46 | | 124,000 | +124,000 |
| T-46 Adv. Proc. | | 27,000 | +27,000 |
| F-111 Mod | 273,200 | 271,900 | −1,300 |
| C-130 | 212,900 | 186,500 | −26,400 |
| KC-135 Mod | 826,200 | 797,000 | −29,200 |
| Classified Mods | 91,611 | 81,611 | −10,000 |
| GPWS | | 7,600 | +7,600 |
| H-3 Mods | 1,500 | 21,500 | +20,000 |
| HH-53 Mods | 55,300 | 268,300 | +213,000 |
| Common Ground Equipment | 321,370 | 262,670 | −58,700 |

## BUDGET JUSTIFICATION MATERIAL

Last year the Committee noted that Air Force aircraft and missile procurement budget justification material was of poor quality. The material submitted with the fiscal year 1987 budget to Congress was very responsive to the Committee's concerns. The Committee appreciates the extra effort that was made by both the Air Force and the Comptroller of the Defense Department to accomplish this significant improvement.

## TECHNICAL DATA

The Committee has included bill language requiring that no contracts for procurement of Air Force aircraft systems or major subsystems may be awarded unless the Commander, Air Force Logistics Command or his appointed designee certifies that adequate levels of technical data are provided in such contracts. This language is intended to enforce the emphasis on obtaining adequate levels of technical and engineering data in new procurements, in order to prevent spare parts pricing abuses in the future.

## COMBAT AIRCRAFT

### STRATEGIC COMBAT AIRCRAFT

#### B-1B BOMBER

The Air Force did not request funds in fiscal year 1987 to continue production of the B-1B bomber beyond 100 aircraft. The Secretary of Defense and the Secretary of the Air Force testified before the Committee that they do not want to purchase additional B-1B aircraft. The Committee has included bill language to prevent use of appropriated funds for a Strategic Bomber Contingency Fund, as envisioned by the House Armed Services Committee, or to otherwise extend B-1B bomber production beyond 100 aircraft.

## TACTICAL COMBAT AIRCRAFT

### AIR DEFENSE COMPETITION

The Committee is pleased that the Air Force has budgeted for a competition for procurement of 270 aircraft for the continental air defense mission. The Committee agrees with the House Armed Services Committee that a multiyear procurement of these aircraft may result in significant savings to the Government and therefore has included bill language which allows the Air Force to proceed on this basis if it chooses to do so. Due to the unique circumstances of this competition, where one company already produces aircraft on a multiyear contract and the competitor offers commercial pricing, the Committee has set aside its normal requirement that multiyear procurement be approved with a funded cancellation ceiling liability for the initial award. The Committee does not expect this to become a precedent for future multiyear acquisitions of Defense weapon systems. The Committee further agrees with the House Armed Services report which expects the Air Force to properly fund the air defense competition cancellation ceiling liability in the fiscal year 1988 budget request to Congress. The Committee requests that the notifications required to be sent to the Armed Services Committees be provided to the Appropriations Committees as well.

### F-16 AIRCRAFT

The F-16 fighter is a single-seat, high performance multipurpose aircraft powered by a single engine. It is designed for close-in air-to-air combat and to supplement other fighters in the close air support and air interdiction missions. The Air Force budgeted $2,881,900,000 for the procurement of 216 aircraft in fiscal year 1987, $348,700,000 for initial spares and repair parts for these aircraft, and $612,000,000 for advance procurement of 216 aircraft in fiscal year 1988.

The Committee recommends a total reduction of $839,000,000, as shown and explained below:

[In millions of dollars]

| | |
|---|---|
| F-16: | |
| Authorization | −499.6 |
| ASPJ | −59.5 |
| Improved RWR | −14.4 |
| PLSS | −52.1 |
| Subtotal | −625.6 |
| Initial Spares: Authorization | −64.0 |
| Advance procurement: | |
| Authorization | −126.1 |
| ALR-74 | −23.3 |
| Subtotal | −149.4 |
| Total | −839.0 |

The Committee does not recommend production funds for the Airborne Self Protection Jammer (ASPJ), the improved radar warning receiver, or the Precision Location Strike System (PLSS) adaptive targeting data link due to uncertainties in the development programs.

In summary, the Committee recommends $2,256,300,000 for the procurement of 180 aircraft in fiscal year 1987, a reduction of $625,600,000. The Committee also recommends $284,700,000 for F-16 initial spares and repair parts, a reduction of $64,000,000; and $462,600,000 for advance procurement of 180 aircraft in fiscal year 1988, a reduction of $149,400,000.

## OTHER COMBAT AIRCRAFT

### KC-10

The KC-10 is a production line DC-10 aircraft modified to conduct either air refueling and/or cargo carriage. The Air Force budgeted $104,400,000 for procurement of 8 aircraft in fiscal year 1987. The Committee recommends $89,000,000, a reduction of $15,400,000 for estimated inflation savings.

## AIRLIFT AIRCRAFT

### C-5B

The C-5B is a wide bodied, inter-theater aircraft that can carry the full spectrum of military air cargo. The Air Force budgeted $1,937,378,000 for the procurement of 21 aircraft in fiscal year 1987. The Committee recommends $1,919,278,000, a reduction of $18,100,000 for estimated inflation savings.

### C-17

The C-17 is a multiengine aircraft for inter and intra theater airlift missions, for either strategic or tactical purposes. Fiscal year 1987 is the first year proposed for C-17 procurement funding. Acquisition of a fleet of 210 aircraft at a cost of $35,828,100,000 is envisioned. The Air Force budgeted $182,300,000 for production nonrecurring items and $35,000,000 for advance procurement of long lead parts. The Committee recommends $145,300,000, a reduction of $37,000,000 as recommended by the House Armed Services Committee, and $35,000,000 for advance procurement of 2 aircraft in fiscal year 1988.

During deliberations on the fiscal year 1987 defense budget request, the Committee became concerned about the Air Force's proposed acquisition strategy to have C-17 wing manufactured by the prime contractor. Significant cost savings may be available if C-17 wing production is competed. The Committee commends the Air Force for its recent decision to conduct a formal competition for C-17 wing production in response to the Committee's concerns.

The Committee directs the Secretary of the Air Force to report the results of the formal competition for C-17 wing production to the Committee prior to releasing fiscal year 1987 C-17 procurement or RDT&E funds to the prime contractor that would be used for production tooling, long lead parts, or other efforts related to manufacture of the wings. This restriction is not intended to affect or otherwise delay other elements of the C-17 production program. The Secretary's report should demonstrate that the Air Force's preferred acquisition strategy for production of C-17 wings will result in the lowest total acquisition cost to the Government, including the tax implications of constructing a new wing manufacturing facility, if applicable. The Committee further directs the Comptroller General to provide an independent assessment of the Air Force cost analysis supporting its C-17 wing production strategy to the Committee within two weeks of publication of the Air Force's report.

## TRAINER AIRCRAFT

### T-46A

The T-46A is a twin engine trainer aircraft with two-person side-by-side seating. The Air Force failed to budget for continued T-46A production in fiscal year 1987 as was requested by the Appropriations Conference in fiscal year 1986. Testimony before the Committee indicates that the requirement for a new trainer aircraft remains valid, and that no viable alternatives exist. In order to take advantage of the considerable development investment that has been made in the T-46A program, the Committee concurs with the House Armed Services Committee that the production program should be continued. The Committee recommends $124,000,000 for the procurement of 12 aircraft in fiscal year 1987, and $27,000,000 for advance procurement of 44 aircraft in fiscal year 1988.

## OTHER AIRCRAFT

### TR-1/U-2

The Air Force budgeted $94,549,000 for procurement of 3 TR-1/U-2 aircraft in fiscal year 1987. The Committee recommends $89,549,000, a reduction of $5,000,000 for estimated air frame cost savings, for procurement of 3 aircraft subject to authorization.

## MODIFICATION OF IN-SERVICE AIRCRAFT

### B-1B AIRCRAFT

The Air Force has an ongoing retrofit modification program since some early B-1B aircraft did not receive during production the full capability built into the remaining B-1B aircraft. Last year, the Committee objected to Air Force plans, disclosed by the General Accounting Office, to fund these retrofit modifications using excess production funds, in much earlier fiscal years than required, and without formal disclosure to the Congress in budget justification material. The Air Force is now complying with the Committee's direction to budget for these modifications in the proper line items and fiscal years. However, the Air Force testified this year that it no longer considers the cost of these retrofit modifications, approximately $186,000,000, to be part of the Presidential commitment to deliver 100 B-1B bomber aircraft at a cost not exceeding $20,500,000,000 in constant fiscal year 1981 dollars. The Committee disagrees with this proposed interpretation since a standard aircraft configuration is a fundamental part of the President's initiative. Future Air Force cost histories of the B-1B production program should reflect this reality.

### B-52 AIRCRAFT

The Air Force budgeted $413,400,000 to modify B-52 aircraft. The Committee recommends $397,200,000, a reduction of $16,200,000 due to savings in the Common Strategic Rotary Launcher.

### F-15 AIRCRAFT

The Air Force budgeted $269,000,000 to modify F-15 aircraft. The Committee does not recommend F-15 retrofit modification funds related to electronic warfare system upgrades due to uncertainties in the development programs, for which $87,000,000 is budgeted in fiscal year 1987 and $70,000,000 in fiscal year 1986. This reduction is based on software development problems and schedule slips in ALQ-135 and ALR-56C Group B hardware deliveries. It should not be interpreted to delay any other aspect of the F-15 retrofit modification program, including Group A modifications related to these electronic components. In addition, $8,700,000 appropriated in fiscal year 1986 for ASAT modifications is no longer needed. The Committee recommends $103,300,000, a reduction of $165,700,000, offset in part by transfer of $78,700,000 from prior year F-15 modification funds.

### CRAF

No funds are budgeted for the Civil Reserve Air Fleet (CRAF) modifications. However, $7,300,000 of the funds appropriated in fiscal year 1986 are not needed, due to favorable contract negotiations. The Committee recommends a general reduction of $7,300,000 to the modification account.

## SPARES AND REPAIR PARTS

### INITIAL SPARES

Initial spares and repair parts are for repair of new aircraft during the initial support period, which is generally the first two years of operation. The Air Force budgeted $927,800,000 for procurement of initial spares and repair parts in fiscal year 1987.

The Committee recommends the following reductions to the budget request, based on reductions to the weapon system production budgets addressed elsewhere in this report or on authorization actions.

[In millions of dollars]

| Item | Reason | Amount |
|---|---|---|
| F-15 | Authorization | −33.3 |
| F-16 | Authorization and inflation savings | −64.0 |
| T-46A | Authorization | +8.4 |
| Mods | Authorization | −27.1 |
| PLSS | Program cancellation (authorization plus prior years) | −42.3 |
| ASPJ | Development delay | −35.8 |
| USM-464 | Authorization | −1.8 |
| Total |  | −195.9 |

The Committee recommends $731,900,000, a reduction of $195,900,000.

### REPLENISHMENT SPARES

Replenishment spares are used to support aircraft once the initial support period has ended. The Air Force budgeted $2,550,103,000 for procurement of aircraft replenishment spares in fiscal year 1987.

$192,700,000 budgeted for B-1B replenishment spares for the conventional role is premature and is therefore not approved by the Committee.

Of the amounts budgeted for electronic warfare peacetime replenishment spares, $71,500,000 is not approved by the Committee. This reduction is related to equipment whose production has been delayed, as reported by the General Accounting Office, and for which replenishment spares are inappropriate at this time. These include:

| | |
|---|---|
| USM-464 Test Set | −9.2 |
| ALR-62I | −7.9 |
| ALR-74 | −25.7 |
| ALQ-135 | −7.0 |
| ALT-32 | −21.7 |
| Total | −71.5 |

The Committee requests the Air Force to clearly segregate all electronic warfare spares funding, including peacetime spares, by system in future budget submissions to the Congress.

Based on General Accounting Office analysis of Air Force management of spare parts, the Committee recommends the following additional reductions:

| | |
|---|---|
| Buy Early policy | −125.0 |
| Administrative leadtime | −53.0 |
| Excess On-Order Inventory | −72.0 |
| Total | −250.0 |

This analysis indicates recurring problems with Air Force spare parts policies. First, the Air Force purchases spares prematurely, thereby incurring unnecessary inventory holding costs while also requesting more appropriated funding than necessary. Second, it uses a 9 month across-the-board administrative leadtime factor to compute its spare parts requirements, yet its current experience is under 7 months. Third, as of December 31, 1985 GAO reports that the Air Force had $1.1 billion of contracted on-order spares which are excess to foreseeable needs (more than 9¼ years of supply). GAO's ongoing work indicates that Air Force terminates less than one percent of the contracted on-order excesses. GAO also reports that Air Force item managers do not make required economic analyses, but routinely certify that it is uneconomical to take contract termination action. The Committee believes that if the Air Force devotes sufficient management attention to these problems, significant spare parts savings will result.

In summary, the Committee recommends $2,035,903,000, a reduction of $514,200,000.

## WAR CONSUMABLES

The Air Force budgeted $51,100,000 to procure war consumable equipment in fiscal year 1987. The Committee recommends $46,100,000, a reduction of $5,000,000 based on historical trends.

## OTHER PRODUCTION CHARGES

The Air Force budgeted $3,685,489,000 for other production charges. The Committee recommends a reduction of $363,449,000 for the following reasons:

| Item | Reason | Amount |
|---|---|---|
| NAVSTAR Avionics | Authorization | −16,200 |
| PLSS | Authorization | −52,800 |
| Countermeasure test sets | Cancelled program | −19,600 |
| ALQ-131 | Authorization | −10,000 |
| ALQ-184 | Authorization | −56,000 |
| Self-Protection Suite | Production delay | −184,100 |
| (Transfer) | | (+40,300) |
| Classified programs | See classified annex | −24,149 |
| Airborne recorders | Updated costs | −600 |
| Total | | −363,449 |

Concerning procurement of electronic warfare equipment, the Committee is pleased at Air Force reorganizations which intend to increase management attention on these vital systems. The Committee directs the Air Force to separately budget for total procurement of electronic warfare systems on two new P-1 lines in future budget submissions to Congress. Use of an advance procurement line should be considered for those systems which require long lead funding. The budget justification material for these new line items should be supported by P series exhibits that are standard for all major equipment procurements. The Committee further directs the Comptroller of the Defense Department to ensure that future new start electronic warfare developments are not funded in the procurement account, as was done on the ALR-74 and ALR-62I systems.

The Committee recommends $3,322,040,000, a reduction of $363,449,000, offset in part by transfer of $40,300,000 from fiscal year 1986 funds.

## PRIOR YEAR SAVINGS

The Committee recommends an undistributed reduction of $487,300,000 based on prior year savings in the following programs:

| | | Fiscal year 1985 | Fiscal year 1986 | Total |
|---|---|---|---|---|
| F-15 | Authorization (engine savings) | −3.7 | −11.6 | −15.3 |
| F-16 | Authorization (engine savings) | | −71.4 | −71.4 |
| KC-10 | Authorization (EPA savings) | −10.0 | −3.0 | −13.0 |
| C-5B | Authorization and additional EPA savings | −181.8 | −4.1 | −185.9 |
| C-131 Mod | Authorization (cancellation) | | −12.0 | −12.0 |
| Counter-Measure Test Sets | Authorization (cancellation) | −93.5 | | −93.5 |
| PLSS | Authorization (cancellation) | −55.2 | −41.0 | −96.2 |
| Total | | −344.2 | −143.1 | −487.3 |

The reduction is offset entirely by transfer from prior year appropriations. $344,200,000 is from fiscal year 1985 and $143,100,000 is from fiscal year 1986 Aircraft Procurement, Air Force appropriations.

### SUMMARY OF TRANSFERS

The Committee recommends a total of $606,300,000 for transfer, of which $349,300,000 is from Aircraft Procurement, Air Force 1985/1987 and $257,000,000 is from Aircraft Procurement, Air Force 1986/1988. The rationale for these amounts is discussed above, in the following line items:

[In millions of dollars]

| | Fiscal year 1985 | Fiscal year 1986 | Total |
|---|---|---|---|
| F-15 Modifications | −5.1 | −73.6 | −78.7 |
| Other Production Charges | — | −40.3 | −40.3 |
| Prior Year Savings | −344.2 | −143.1 | −487.3 |
| Total | −349.3 | −257.0 | −606.3 |

### INFLATION ADJUSTMENT

As discussed in the beginning of the Procurement section of this report, the Committee recommends an inflation adjustment of $184,600,000.

## MISSILE PROCUREMENT, AIR FORCE

| | |
|---|---|
| Appropriations, 1986 | [1] $8,312,442,000 |
| Adjusted base, 1986 | [1] 7,905,132,000 |
| New obligational authority, 1987: | |
| Estimate | 8,982,400,000 |
| Recommended | 6,725,777,000 |
| Decrease | 2,256,623,000 |
| Total recommended in the bill | [2] 6,843,677,000 |

[1] And in addition, $345,400,000 in prior year unobligated balances transferred forward to fiscal year 1986.

[2] Includes $6,725,777,000 in new obligational authority and in addition $81,400,000 to be derived by transfer from "Missile Procurement, Air Force, 1985/1987"; and $36,500,000 to be derived by transfer from "Missile Procurement, Air Force, 1986/1988".

This appropriation provides for procurement, installation, and checkout of strategic ballistic and other missiles, modification of in-service missiles, and initial and replenishment spares and repair parts for missile systems. It also provides for operational space systems, boosters, payloads, drones, associated ground support equipment, non-recurring maintenance of industrial facilities, machine tool modernization, and special programs support.

## PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| MISSILE PROCUREMENT, AIR FORCE | | | | | | |
| BALLISTIC MISSILES | | | | | | |
| STRATEGIC | | | | | | |
| PEACEKEEPER (M-X) | 21 | 1,418,131 | 12 | 1,114,731 | -9 | -303,400 |
| MISSILE REPLACEMENT EQUIPMENT - BALLIST | | | | | | |
| MISSILE REPLACEMENT EQ-BALLISTIC | -- | 69,696 | -- | 69,696 | -- | --- |
| TOTAL, BALLISTIC MISSILES | | 1,487,827 | | 1,184,427 | | -303,400 |
| OTHER MISSILES | | | | | | |
| STRATEGIC | | | | | | |
| AIR LAUNCH CRUISE MISSILE | -- | 12,407 | -- | 12,407 | -- | --- |
| TACTICAL | | | | | | |
| AIM-7F/M SPARROW | 379 | 64,887 | 379 | 61,687 | -- | -3,200 |
| AIM-9L/M SIDEWINDER | 1,710 | 95,636 | 1,710 | 93,836 | -- | -1,800 |
| AGM-130 POWERED GBU-15 | 51 | 26,577 | -- | --- | -51 | -26,577 |
| AGM-65D MAVERICK | 4,700 | 580,984 | 585 | 75,684 | -4,115 | -505,300 |
| AGM-88A HARM | 2,130 | 493,382 | 1,450 | 362,482 | -680 | -130,900 |
| RAPIER | -- | 6,400 | -- | 6,400 | -- | --- |
| AMRAAM | 260 | 656,628 | 180 | 537,328 | -80 | -119,300 |
| AMRAAM (AP-CY) | -- | 89,900 | -- | 44,900 | -- | -45,000 |
| GRD LAUNCH CRUISE MISSILE | 76 | 128,600 | 76 | 115,700 | -- | -12,900 |
| GRD LAUNCH CRUISE MISSILE (AP-CY) | -- | 4,600 | -- | 4,600 | -- | --- |
| STINGER | -- | 1,709 | -- | 1,709 | -- | --- |
| TARGET DRONES | | | | | | |
| TARGET DRONES | -- | 19,637 | -- | 19,637 | -- | --- |
| INDUSTRIAL FACILITIES | | | | | | |
| INDUSTRIAL FACILITIES | -- | 14,458 | -- | 14,458 | -- | --- |
| MISSILE REPLACEMENT EQUIPMENT - OTHER | | | | | | |
| MISSILE REPLACEMENT EQ-OTHER | -- | 17,205 | -- | 15,805 | -- | -1,400 |
| CLASSIFIED PROGRAMS | -- | 841,573 | -- | 279,773 | -- | -561,800 |
| TOTAL, OTHER MISSILES | | 3,054,583 | | 1,646,406 | | -1,408,177 |
| MODIFICATION OF INSERVICE MISSILES | | | | | | |
| CLASS IV | | | | | | |
| CLASS IV | -- | 4,367 | -- | 4,367 | -- | --- |
| LGM-30F/G MIMUTEMAN II/III | -- | 105,589 | -- | 100,389 | -- | -5,200 |
| AGM-88A HARM | -- | 2,859 | -- | 2,859 | -- | --- |
| AIR LAUNCH CRUISE MISSILE | -- | 16,560 | -- | 16,560 | -- | --- |
| GRD LAUNCH CRUISE MISSILE | -- | 15,294 | -- | 15,294 | -- | --- |
| MODIFICATIONS UNDER $2.0M | -- | 1,858 | -- | 1,858 | -- | --- |
| TOTAL, MODIFICATION OF INSERVICE MISSILES | | 146,527 | | 141,327 | | -5,200 |
| MISSILE SPARES + REPAIR PARTS | | | | | | |
| SPARES AND REPAIR PARTS | -- | 334,166 | -- | 266,066 | -- | -68,100 |
| OTHER SUPPORT | | | | | | |
| SPACE PROGRAMS | | | | | | |
| SPACEBORNE EQUIP (COMSEC) | -- | 61,899 | -- | 61,899 | -- | --- |
| GLOBAL POSITIONING (MYP) | 8 | 129,665 | 8 | 126,000 | -- | -3,665 |
| SPACE SHUTTLE OPERATIONS | -- | 59,062 | -- | 59,062 | -- | --- |
| DEF METEOROLOGICAL SAT PROG (MYP) | -- | 19,427 | -- | 8,227 | -- | -11,200 |
| DMSP (MYP) (BY TRANSFER) | -- | --- | -- | (11,200) | -- | (+11,200) |
| DEFENSE SUPPORT PROGRAM (MYP) | -- | 108,515 | -- | 108,515 | -- | --- |
| DEFENSE SUPPORT PROGRAM (MYP) (AP-CY) | -- | 250,000 | -- | 134,400 | -- | -115,600 |
| DEFENSE SATELLITE COMM SYSTEM (MYP) | 2 | 117,131 | 2 | 109,931 | -- | -7,200 |
| DEFENSE SATELLITE COMM SYSTEM (MYP) (AP-CY) | -- | 5,540 | -- | 5,540 | -- | --- |
| SPACE BOOSTERS | -- | 52,747 | -- | 52,747 | -- | --- |
| SPACE BOOSTERS (AP-CY) | -- | 230,000 | -- | 230,000 | -- | --- |
| SPACE DEFENSE SYSTEM (AP-CY) | -- | 28,481 | -- | --- | -- | -28,481 |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| SPECIAL PROGRAMS | | | | | | |
| OTHER PROGRAMS | -- | 45,311 | -- | 45,311 | -- | --- |
| FOREST GREEN | -- | 2,061 | -- | 2,061 | -- | --- |
| IONDS (MYP) | -- | 24,854 | -- | 24,854 | -- | --- |
| SPECIAL PROGRAMS | -- | 1,851,958 | -- | 1,748,258 | -- | -103,700 |
| SPECIAL UPDATE PROGRAMS | -- | 972,646 | -- | 917,346 | -- | -55,300 |
| SPECIAL UPDATE PROGRAMS (BY TRANSFER) | -- | --- | -- | (44,900) | -- | (+44,900) |
| TOTAL, OTHER SUPPORT | | 3,959,297 | | 3,634,151 | | -325,146 |
| PY PROGRAM SAVINGS | -- | --- | -- | -61,800 | -- | -61,800 |
| PY PROGRAM SAVINGS (BY TRANSFER) | -- | --- | -- | (61,800) | -- | (+61,800) |
| INFLATION SAVINGS, FY87 | -- | --- | -- | -84,800 | -- | -84,800 |
| TOTAL, MISSILE PROCUREMENT, AIR FORCE | | 8,982,400 | | 6,725,777 | | -2,256,623 |
| TRANSFER FROM OTHER ACCOUNTS | | --- | | (117,900) | | (+117,900) |
| TOTAL FUNDING AVAILABLE | | 8,982,400 | | 6,843,677 | | -2,138,723 |

## COMMITTEE RECOMMENDATIONS

## AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with authorization action:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from request |
|---|---|---|---|
| Peacekeeper (MX) | $1,418,131 | $1,114,731 | −$303,400 |
| AIM-7F/M Sparrow | 64,887 | 61,687 | −3,200 |
| AGM-130 Powered GBU-15 | 26,577 | | −26,577 |
| AGM-65D Maverick | 580,984 | 75,684 | −505,300 |
| AGM-88A HARM | 493,382 | 362,482 | −130,900 |
| Ground Launched Cruise Missile | 128,600 | 115,700 | −12,900 |
| Missile Replacement Equipment—Other | 17,205 | 15,805 | −1,400 |
| Classified Programs | 841,573 | 279,773 | −561,800 |
| Minuteman Modifications | 105,589 | 100,389 | −5,200 |
| Missile Spares and Repair Parts | 334,166 | 266,066 | −68,100 |
| Global Positioning | 129,665 | 126,000 | −3,665 |
| Defense Support Program | 250,000 | 134,400 | −115,600 |
| Defense Satellite Comm System | 117,131 | 109,931 | −7,200 |
| Space Defense System—Adv Procurement | 28,481 | | −28,481 |
| Prior Year Program Savings | | −61,800 | −61,800 |
| Prior Year Transfer | | (61,800) | (+61,800) |

## OTHER MISSILES

## TACTICAL MISSILES

### AIM-9 SIDEWINDER

The Air Force requested $95,636,000 for 1,710 AIM-9 Sidewinder missiles. Projection of 1986 contract prices to the 1987 program results in funding requirements lower than the budget request by $1,800,000. Accordingly, the Committee recommends $93,836,000 for 1,710 AIM-9 Sidewinder missiles, a reduction of $1,800,000 from the budget request.

### AMRAAM

The Committee recommends $537,328,000 for procurement of 180 AMRAAMs, subject to authorization, and $44,900,000 for AMRAAM advance procurement, subject to authorization.

The Committee is aware of concerns that AMRAAM production funds could be released in advance of adequate testing. Consequently, the Committee has provided language in the bill prohibiting obligation or expenditure of funds for AMRAAM Lot 1 low-rate production until a minimum of three successful flight tests have been conducted, each consisting of simultaneous attacks on at least two targets in an electronic countermeasure environment. For purposes of this provision, the Committee defines as successful a flight test which results in the destruction of all targets of simultaneous attacks, or their inferred destruction if the test missiles are not equipped with live warheads.

## OTHER SUPPORT

### DEFENSE SUPPORT PROGRAM (DSP)

DSP satellites contain sensors that provide data to the National Command Authority and other designated users. The budget request included $250,000,000 in advance procurement for the Defense Support Program. These funds would initiate a new multiyear procurement for the program. In consideration of budgetary restraints and action taken by the Committee on Armed Services, the Committee has denied the multiyear procurement request for DSP and thus reduced the budget request by $115,600,000. However, the Committee recognizes the potential long term savings that could be achieved by a multiyear procurement approach for the Defense Support Program, and remains open minded about a future commitment to such an approach.

### DEFENSE METEOROLOGICAL SATELLITE PROGRAM

The Committee is advised that, because of contract savings, $11,200,000 of prior year funds are available for application to the 1987 DMSP program. Accordingly, the Committee recommends $8,227,000 for Defense Meteorological Satellite Program, a reduction of $11,200,000 from the budget request, offset by a corresponding transfer of prior year funds.

## SPACE BOOSTERS

The Air Force budgeted $52,747,000 for the procurement of space boosters and associated equipment in fiscal year 1987 and $230,000,000 for advance procurement. The Committee recommends approval of the full amount budgeted. In the supplemental appropriation for fiscal year 1986, the Congress provided authority to obligate up to $1,498,800,000 for the Department of Defense Space Recovery Program, to be financed from excess prior year unobligated balances. It also allowed the Air Force to proceed with a multiyear contract for up to 23 Complementary Expendable Launch Vehicles (CELVs). Fiscal year 1987 space boosters funding continues the CELV initiative. The Committee expects that the CELV initiative will continue to be budgeted and executed as a fully funded program, consistent with longstanding Congressional and Defense budgeting policy. Further, the Committee directs the Secretary of the Air Force to include a priced option in the CELV contract to hold four of the CELV's in reserve, as was intended by Congress when it initially approved the CELV concept last year.

## SPECIAL PROGRAMS

## SPECIAL UPDATE PROGRAMS

For reasons explained in the classified annex to this report and in a classified letter to the Secretary of Defense, the Committee recommends reductions of $103,700,000 in Special Programs, and $55,300,000 in Special Update Programs, offset in part by a transfer of $44,900,000 of prior year funds.

## INFLATION ADJUSTMENT

As discussed in the beginning of the Procurement section of this report, the Committee recommends an inflation adjustment of $84,800,000.

## OTHER PROCUREMENT, AIR FORCE

| | |
|---|---|
| Appropriations, 1986 | $8,531,383,000 |
| Adjusted Base, 1986 | 8,112,382,000 |
| New Obligational Authority, 1987: | |
| Estimate | 10,900,300,000 |
| Recommended | 8,654,521,000 |
| Decrease | 2,245,779,000 |
| Total recommended in the bill | [1] 8,733,232,000 |

[1] Includes $8,654,521,000 in new obligational authority, and in addition $56,311,000 in prior year unobligated balances to be derived by transfer from "Other Procurement, Air Force, 1985/1987" and $22,400,000 to be derived by transfer from "Other Procurement, Air Force, 1986/1988".

This appropriation provides for the procurement of weapon systems and equipment other than aircraft and missiles. Included are munitions, other weapons, vehicles, electronic and telecommunications systems for command and control of operational forces, and ground support equipment for weapons systems and supporting structure.

## PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST QTY | BUDGET REQUEST AMOUNT | COMMITTEE RECOMMENDED QTY | COMMITTEE RECOMMENDED AMOUNT | CHANGE FROM REQUEST QTY | CHANGE FROM REQUEST AMOUNT |
|---|---|---|---|---|---|---|
| OTHER PROCUREMENT, AIR FORCE | | | | | | |
| MUNITIONS AND ASSOCIATED EQUIPMENT | | | | | | |
| ROCKETS + LAUNCHERS | | | | | | |
| 2.75 INCH ROCKET MOTOR | 100,000 | 23,684 | 90,000 | 21,884 | -10,000 | -1,800 |
| 2.75" ROCKET HEAD, W.P | 117,380 | 8,314 | 12,300 | 1,014 | -105,080 | -7,300 |
| ITEMS LESS THAN $2,000,000 | -- | 5,704 | -- | 4,404 | -- | -1,300 |
| CARTRIDGES (THOUSANDS) | | | | | | |
| 9MM PARABELLUM | 15,000 | 1,650 | 15,000 | 1,650 | -- | --- |
| 7.62 MM BLANK, LINKED | 2,000 | 420 | 2,000 | 420 | -- | --- |
| 5.56 MM | 57,706 | 8,264 | 29,513 | 4,364 | -28,193 | -3,900 |
| 20 MM COMBAT | 3,225 | 11,898 | 1,952 | 8,198 | -1,273 | -3,700 |
| 20MM TRAINING | 10,041 | 22,291 | 9,600 | 21,291 | -441 | -1,000 |
| 30 MM TRAINING | 6,023 | 59,086 | 4,623 | 41,786 | -1,400 | -17,300 |
| 30 MM API | 2,364 | 40,000 | 2,165 | 31,700 | -199 | -8,300 |
| 81 MM | 208 | 20,031 | 15 | 1,031 | -193 | -19,000 |
| 40MM TP GRENADES | 469 | 713 | 469 | 713 | -- | --- |
| CART CHAFF RR-170 | 5,912 | 19,627 | 5,912 | 19,627 | -- | --- |
| SIGNAL MK-4 MOD 3 | 1,440 | 1,454 | 1,440 | 1,454 | -- | --- |
| MXU-4A/A ENGINE STARTER | 80 | 8,341 | 24 | 2,541 | -56 | -5,800 |
| CART IMP 3000 FT/LBS | 1,586 | 3,743 | 1,586 | 3,743 | -- | --- |
| ITEMS LESS THAN $2,000,000 | -- | 12,428 | -- | 8,528 | -- | -3,900 |
| BOMBS | | | | | | |
| MK-82 INERT/BDU-50 | 35,000 | 8,093 | -- | --- | -35,000 | -8,093 |
| DURANDAL | 3,400 | 88,131 | 2,659 | 68,931 | -741 | -19,200 |
| TIMER ACTUATOR FIN FUZE | 17,230 | 4,870 | 4,591 | 1,970 | -12,639 | -2,900 |
| BSU-49 INFLATABLE RETARDER | 47,987 | 27,375 | 47,987 | 22,600 | -- | -4,775 |
| BSU-50 INFLATABLE RETARDER | 7,975 | 7,574 | 7,875 | 7,574 | -- | --- |
| BOMB 2000 LB HIGH EXPLOSIVE | 12,017 | 25,294 | 12,017 | 25,294 | -- | --- |
| BOMB HARD TARGET 2000LB | 2,290 | 37,818 | 1,034 | 13,318 | -1,256 | -24,500 |
| GBU-15 | 696 | 138,905 | -- | --- | -696 | -138,905 |
| BOMB PRACTICE 25 POUND | 1087,752 | 18,083 | 1087,752 | 10,383 | -- | -7,700 |
| MK-84 BOMB-EMPTY | -- | 1,770 | -- | 1,770 | -- | --- |
| CBU-89(TMD/GATOR) | 5,390 | 194,197 | 3,144 | 113,297 | -2,246 | -80,900 |
| CBU-87(COMBINED EFFECTS MUNITION) | 28,850 | 566,748 | 17,625 | 386,648 | -11,225 | -180,100 |
| BIGEYE | -- | 28,400 | -- | --- | -- | -28,400 |
| ITEMS LESS THAN $2,000,000 | -- | 2,516 | -- | 1,516 | -- | -1,000 |
| TARGETS | | | | | | |
| AERIAL TOW TARGET | 609 | 12,961 | 361 | 6,761 | -248 | -6,200 |
| ITEMS LESS THAN $2,000,000 | -- | 127 | -- | 127 | -- | --- |
| OTHER ITEMS | | | | | | |
| FLARE, IR MJU-7B | 563,253 | 11,909 | 563,253 | 11,909 | -- | --- |
| FLARE, IR MJU-2 | 156,873 | 2,823 | 156,873 | 2,823 | -- | --- |
| MJU-10B | 165,000 | 29,833 | 84,000 | 18,133 | -81,000 | -11,700 |
| CHAFF PACKAGE RR-141A/L | 111,776 | 4,850 | 111,776 | 4,850 | -- | --- |
| SPARES AND REPAIR PARTS | -- | 4,191 | -- | 4,191 | -- | --- |
| MODIFICATIONS | -- | 200 | -- | 200 | -- | --- |
| ITEMS LESS THAN $2,000,000 | -- | 31,448 | -- | 18,748 | -- | -12,700 |
| FUZES | | | | | | |
| FMU-112/FMU-139 | 35,383 | 36,824 | 35,383 | 32,524 | -- | -4,300 |
| ITEMS LESS THAN $2,000,000 | -- | 35 | -- | 35 | -- | --- |
| OTHER WEAPONS | | | | | | |
| M-203 GRENADE LAUNCHER | 921 | 558 | 921 | 558 | -- | --- |
| MACHINE GUN, 7.62MM, M-60 | 97 | 372 | 97 | 372 | -- | --- |
| 81MM MORTAR | 27 | 392 | -- | --- | -27 | -392 |
| 9MM HANDGUN | 24,500 | 8,656 | 24,500 | 5,056 | -- | -3,600 |
| SHOTGUN - 12 GAGE | 665 | 278 | 665 | 278 | -- | --- |
| NATIONAL RIFLE - M14 | 174 | 101 | 174 | 101 | -- | --- |
| HOST NATION SUPPORT WEAPONS | 1,930 | 3,201 | 1,930 | 3,201 | -- | --- |
| TOTAL, MUNITIONS AND ASSOCIATED EQUIPMENT | | 1,546,181 | | 937,516 | | -608,665 |
| VEHICULAR EQUIPMENT | | | | | | |
| PASSENGER CARRYING VEHICLES | | | | | | |
| SEDAN, 4 DR 4X2 | 396 | 3,085 | 396 | 3,085 | -- | --- |
| STATION WAGON, 4X2 | 391 | 3,236 | 391 | 3,236 | -- | --- |
| BUS, 28 PASSENGER | 127 | 4,000 | 127 | 4,000 | -- | --- |
| BUS INTERCITY | 8 | 1,307 | 8 | 1,307 | -- | --- |
| BUS, 44 PASSENGER | 45 | 1,782 | 45 | 1,782 | -- | --- |
| AMBULANCE, BUS | 32 | 2,681 | 32 | 2,681 | -- | --- |
| MODULAR AMBULANCE | 163 | 5,902 | 163 | 5,902 | -- | --- |
| 14-20 PASSENGER BUS | 10 | 272 | 10 | 272 | -- | --- |
| LAW ENFORCEMENT VEHICLE | 335 | 2,955 | 335 | 2,955 | -- | --- |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| CARGO + UTILITY VEHICLES | | | | | | |
| TRUCK, STAKE/PLATFORM | 555 | 8,016 | 555 | 8,016 | -- | --- |
| TRUCK, CARGO-UTILITY, 3/4T, 4X4 | 275 | 3,039 | 275 | 3,039 | -- | --- |
| TRUCK, CARGO-UTILITY, 1/2T, 4X2 | 306 | 2,918 | 306 | 2,918 | -- | --- |
| TRUCK, PICKUP, 1/2T, 4X2 | 654 | 4,698 | 654 | 4,698 | -- | --- |
| TRUCK, PICKUP, COMPACT | 857 | 4,748 | 857 | 4,748 | -- | --- |
| TRUCK MULTI-STOP 1 TON 4X2 | 627 | 9,360 | 627 | 9,360 | -- | --- |
| TRUCK, PANEL, 4X2 | 279 | 2,798 | 279 | 2,798 | -- | --- |
| TRUCK CARRYALL | 575 | 7,876 | 575 | 7,876 | -- | --- |
| TRUCK, CARGO, 2 1/2T, 6X6, M-35 | 388 | 18,247 | 388 | 18,247 | -- | --- |
| TRUCK CARGO 5T M-923,M-925 | 73 | 6,664 | 73 | 6,664 | -- | --- |
| TRUCK, CARGO, 2 1/2T | 58 | 1,639 | 58 | 1,639 | -- | --- |
| HIGH MOBILITY VEHICLE (MYP) | 400 | 10,713 | 400 | 10,713 | -- | --- |
| TRUCK, TRACTOR, 5T | 43 | 1,553 | 43 | 1,553 | -- | --- |
| TRUCK TRACTOR 5T M-932 (MYP) | 6 | 412 | 6 | 412 | -- | --- |
| TRUCK TRACTOR, OVER 5T | 114 | 5,484 | 114 | 5,484 | -- | --- |
| TRUCK WRECKER 5T M936 (MYP) | 15 | 2,423 | 15 | 2,423 | -- | --- |
| TRUCK, DUMP 5 TON | 220 | 10,930 | 220 | 10,930 | -- | --- |
| ITEMS LESS THAN $2,000,000 | -- | 20,565 | -- | 20,565 | -- | --- |
| SPECIAL PURPOSE VEHICLES | | | | | | |
| TRUCK MAINT 4X2 | 295 | 3,073 | 295 | 3,073 | -- | --- |
| TRUCK, MAINT, HI-REACH | 17 | 1,888 | 17 | 1,888 | -- | --- |
| TRUCK, TELEPHONE MAINTENANCE | 18 | 2,685 | 18 | 2,685 | -- | --- |
| TRUCK, TANK, 1200 GAL | 50 | 2,135 | 50 | 2,135 | -- | --- |
| TRUCK, TANK, FUEL, M-49 | 35 | 2,487 | 35 | 2,487 | -- | --- |
| TRACTOR, A/C TOW, MB-4 | 167 | 4,135 | 167 | 4,135 | -- | --- |
| TRACTOR, TOW, FLIGHTLINE | 370 | 5,487 | 370 | 5,487 | -- | --- |
| TRACTOR, DOZER | 83 | 5,538 | 83 | 5,538 | -- | --- |
| TRUCK, DEMINERAL WATER, 2600 GAL | 23 | 2,473 | 23 | 2,473 | -- | --- |
| SEMI TRAILER COMPRESSED GAS | 11 | 2,731 | 11 | 2,731 | -- | --- |
| ITEMS LESS THAN $2,000,000 | -- | 15,369 | -- | 15,369 | -- | --- |
| FIRE FIGHTING EQUIPMENT | | | | | | |
| TRUCK CRASH P-15 | 3 | 2,248 | 3 | 2,248 | -- | --- |
| TRUCK WATER P-18 | 79 | 6,088 | 79 | 6,088 | -- | --- |
| TRUCK,PUMPER, P-8 | 28 | 3,242 | 28 | 3,242 | -- | --- |
| TRUCK, PUMPER, P-12 | 18 | 1,700 | 18 | 1,700 | -- | --- |
| ITEMS LESS THAN $2,000,000 | -- | 4,015 | -- | 4,015 | -- | --- |
| MATERIALS HANDLING EQUIPMENT | | | | | | |
| TRUCK F/L 4,000 LB GED/DED 144" | 215 | 3,295 | 215 | 3,295 | -- | --- |
| TRUCK, F/L 6000 LB | 183 | 6,529 | 183 | 6,529 | -- | --- |
| TRUCK, F/L 10,000 LB | 216 | 9,413 | 216 | 9,413 | -- | --- |
| LARGE CAPACITY LOADER | 10 | 4,328 | 10 | 4,328 | -- | --- |
| 25K A/C LOADER | 46 | 4,224 | 46 | 4,224 | -- | --- |
| CONTAINER, LIFT, TRUCK | 43 | 9,833 | 43 | 9,833 | -- | --- |
| ITEMS LESS THAN $2,000,000 | -- | 10,532 | -- | 10,532 | -- | --- |
| BASE MAINTENANCE SUPPORT | | | | | | |
| LOADER, SCOOP | 102 | 7,042 | 102 | 7,042 | -- | --- |
| DISTRIBUTOR, WATER 1500 GALLON | 56 | 2,855 | 56 | 2,855 | -- | --- |
| CLEANER, RUNWAY/STREET | 191 | 18,038 | 191 | 18,038 | -- | --- |
| GRADER, ROAD, MOTORIZED | 36 | 2,154 | 36 | 2,154 | -- | --- |
| CRANE, 7-50 TON | 118 | 12,072 | 118 | 12,072 | -- | --- |
| EXCAVATOR, BED, PT | 38 | 5,045 | 38 | 5,045 | -- | --- |
| WATERCRAFT | 8 | 4,055 | 8 | 4,055 | -- | --- |
| SPARES AND REPAIR PARTS | -- | 6,492 | -- | 6,492 | -- | --- |
| MODIFICATIONS | -- | 295 | -- | 295 | -- | --- |
| ITEMS LESS THAN $2,000,000 | -- | 12,997 | -- | 12,997 | -- | --- |
| GENERAL REDUCTION | -- | --- | -- | -31,600 | -- | -31,600 |
| TOTAL, VEHICULAR EQUIPMENT | | 331,796 | | 300,196 | | -31,600 |
| ELECTRONICS AND TELECOMMUNICATIONS EQUIP | | | | | | |
| COMM SECURITY EQUIPMENT(COMSEC) | | | | | | |
| SPACE SYSTEMS (COMSEC) | -- | 10,002 | -- | 10,002 | -- | --- |
| TEMPEST EQUIPMENT | -- | 612 | -- | 612 | -- | --- |
| TAC SECURE VOICE | -- | 10,802 | -- | 10,802 | -- | --- |
| DCS SECURE VOICE (COMSEC) | -- | 13,338 | -- | 13,338 | -- | --- |
| SECURE DATA | -- | 35,141 | -- | 35,141 | -- | --- |
| TRI-TAC (COMSEC) | -- | 46,082 | -- | 43,082 | -- | -3,000 |
| SPARES AND REPAIR PARTS | -- | 11,876 | -- | 11,876 | -- | --- |
| MODIFICATIONS (COMSEC) | -- | 330 | -- | 330 | -- | --- |
| INTELLIGENCE PROGRAMS | | | | | | |
| INTELLIGENCE DATA HANDLING SYS | -- | 31,817 | -- | 31,817 | -- | --- |
| INTELLIGENCE TRAINING EQUIPMENT | -- | 12,641 | -- | 12,641 | -- | --- |

(IN THOUSANDS OF DOLLARS)

|  | BUDGET REQUEST |  | COMMITTEE RECOMMENDED |  | CHANGE FROM REQUEST |  |
|---|---|---|---|---|---|---|
|  | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| INTELLIGENCE COMM EQUIP | -- | 11,000 | -- | 11,000 | -- | --- |
| COBRA JUDY | -- | 248 | -- | 248 | -- | --- |
| COBRA SHOE | -- | 3,084 | -- | 3,084 | -- | --- |
| ITEMS LESS THAN $2,000,000 | -- | 17,545 | -- | 17,045 | -- | -500 |
| ELECTRONICS PROGRAMS |  |  |  |  |  |  |
| TRAFFIC CONTROL/LANDING | -- | 11,899 | -- | 4,899 | -- | -7,000 |
| TACTICAL AIR CONTROL SYS IMPROVE | -- | 64,316 | -- | 32,016 | -- | -32,300 |
| TACAN | -- | --- | -- | 8,900 | -- | +8,900 |
| WEATHER OBSERV/FORCAST | -- | 61,494 | -- | 51,494 | -- | -10,000 |
| DEFENSE SUPPORT PROGRAM | -- | 100,093 | -- | 81,783 | -- | -18,310 |
| DEFENSE SUPPORT PROGRAM (BY TRANSFER) | -- | --- | -- | (4,510) | -- | (+4,510) |
| OTH-B RADAR | -- | 188,157 | -- | 110,000 | -- | -78,157 |
| SAC COMMAND AND CONTROL | -- | 11,265 | -- | 11,265 | -- | --- |
| LAUNCH CONTROL CENTER COMMUNICATIONS | -- | 9,415 | -- | --- | -- | -9,415 |
| CHEYENNE MOUNTAIN COMPLEX | -- | 10,770 | -- | 8,770 | -- | -2,000 |
| PAVE PAWS/SLBM WARNING SYSTEMS | -- | 120,206 | -- | 45,951 | -- | -74,255 |
| BMEWS MODERNIZATION | -- | 41,032 | -- | --- | -- | -41,032 |
| SPACETRACK | -- | 4,888 | -- | 4,888 | -- | --- |
| NAVSTAR GPS | -- | 12,356 | -- | 11,756 | -- | -600 |
| USAFE COMMAND/CONTROL SYSTEM | -- | 12,144 | -- | 12,144 | -- | --- |
| PACAF COMMAND/CONTROL | -- | 1,153 | -- | 1,153 | -- | --- |
| DEFENSE METEOROLOGICAL SAT PROG | -- | 3,442 | -- | 3,442 | -- | --- |
| CARIBBEAN BASIN RADAR NETWORK | -- | 11,272 | -- | 6,972 | -- | -4,300 |
| MARS/USAF-FAA RADAR UPGRADE | -- | 16,194 | -- | --- | -- | -16,194 |
| TAC SIGINT SUPPORT | -- | 15,755 | -- | 15,755 | -- | --- |
| DIST ERLY WARNING RDR/NORTH WARNING | -- | 4,318 | -- | 4,318 | -- | --- |
| TACTICAL GROUND INTERCEPT FACILITY | -- | 5,155 | -- | 5,155 | -- | --- |
| AIR BASE SURVIVABILITY | -- | 3,885 | -- | --- | -- | -3,885 |
| CMDR'S TACTICAL TERMINALS(CTT)/TEREC | -- | 2,805 | -- | 2,805 | -- | --- |
| IMAGERY TRANS | -- | 12,349 | -- | 12,349 | -- | --- |
| TACTICAL WARNING SYSTEMS SUPPORT | -- | 3,435 | -- | 435 | -- | -3,000 |
| NORTH ATLANTIC DEFENSE C3 | -- | 26,643 | -- | 22,243 | -- | -4,400 |
| SPECIAL COMM-ELECTRONICS PROJECTS |  |  |  |  |  |  |
| AUTOMATIC DATA PROCESSING EQUIP | -- | 135,569 | -- | 131,469 | -- | -4,100 |
| WWMCCS/WIS ADPE | -- | 40,092 | -- | 35,792 | -- | -4,300 |
| MAC COMMAND AND CONTROL SUPPORT | -- | 53,197 | -- | 13,097 | -- | -40,100 |
| GLCM COMMUNICATIONS | -- | 5,983 | -- | 5,983 | -- | --- |
| AIR FORCE PHYSICAL SECURITY SYSTEM | -- | 7,154 | -- | 7,154 | -- | --- |
| WEAPONS STORAGE/SECURITY | -- | 20,535 | -- | 20,535 | -- | --- |
| RANGE IMPROVEMENTS | -- | 143,878 | -- | 88,878 | -- | -55,000 |
| RADAR BOMB SCORER | -- | 12,837 | -- | 9,137 | -- | -3,700 |
| PLSS | -- | 27,231 | -- | --- | -- | -27,231 |
| C3 COUNTERMEASURES | -- | 8,146 | -- | 8,146 | -- | --- |
| JOINT SURVEILLANCE SYSTEM | -- | 9,410 | -- | 9,109 | -- | -301 |
| JOINT SURVEILLANCE SYSTEM (BY TRANSFER) | -- | --- | -- | (301) | -- | (+301) |
| SPACE SHUTTLE | -- | 7,756 | -- | 4,856 | -- | -2,900 |
| BASE LEVEL DATA AUTO PROGRAM | -- | 99,221 | -- | 47,221 | -- | -52,000 |
| SATELLITE CONTROL FACILITY | -- | 126,614 | -- | 65,214 | -- | -61,400 |
| CONSTANT WATCH | -- | 4,286 | -- | 4,286 | -- | --- |
| CONSOLIDATED SPACE OPS CENTER | -- | 75,988 | -- | 75,988 | -- | --- |
| CMD CENTER PROCESSING/DISPLAY SYS | -- | 2,110 | -- | 2,110 | -- | --- |
| HAMMER ACE | -- | 1,703 | -- | 1,703 | -- | --- |
| SAMTO TEST RANGES I&M | -- | 66,928 | -- | 21,828 | -- | -45,100 |
| EMP HARDENING | -- | 15,786 | -- | 12,486 | -- | -3,300 |
| AIR FORCE COMMUNICATIONS |  |  |  |  |  |  |
| PROGRAM 698AJ | -- | 1,927 | -- | 1,927 | -- | --- |
| INFORMATION TRANSMISSION SYSTEMS | -- | 8,038 | -- | 5,738 | -- | -2,300 |
| TELEPHONE EXCHANGE | -- | 76,590 | -- | 52,190 | -- | -24,400 |
| JOINT TACTICAL COMM PROGRAM | -- | 234,093 | -- | 154,593 | -- | -79,500 |
| JOINT TACTICAL COMM PROGRAM (BY TRANSFER) | -- | --- | -- | (3,000) | -- | (+3,000) |
| USREDCOM | -- | 13,417 | -- | 5,917 | -- | -7,500 |
| USCENTCOM | -- | 26,427 | -- | 26,427 | -- | --- |
| AUTOMATED TELECOMMUNICATIONS PRG | -- | 23,792 | -- | 18,792 | -- | -5,000 |
| CINC MOBILE COMMAND CENTER | -- | 30,260 | -- | --- | -- | -30,260 |
| MILSTAR | -- | 50,614 | -- | --- | -- | -50,614 |
| SATELLITE TERMINALS | -- | 10,977 | -- | 10,977 | -- | --- |
| DCA PROGRAMS |  |  |  |  |  |  |
| WIDEBAND SYSTEMS UPGRADE | -- | 68,740 | -- | 45,240 | -- | -23,500 |
| MINIMUM ESSENTIAL EMER COMM NET | -- | 97,187 | -- | 51,187 | -- | -46,000 |
| DCS SECURE VOICE EQUIPMENT | -- | 37,762 | -- | 20,862 | -- | -16,900 |
| ORGANIZATION AND BASE |  |  |  |  |  |  |
| TACTICAL C-E EQUIPMENT | -- | 66,376 | -- | 26,276 | -- | -40,100 |
| PRODUCTIVITY INV TELECOM | -- | 3,939 | -- | 3,939 | -- | --- |
| RADIO EQUIPMENT | -- | 58,307 | -- | 38,007 | -- | -20,300 |
| PRODUCTIVITY ENH TELECOMM | -- | 4,572 | -- | 4,572 | -- | --- |
| FIBER OPTICS | -- | 3,318 | -- | 1,418 | -- | -1,900 |
| TV EQUIPMENT (AFRTV) | -- | 4,920 | -- | 4,920 | -- | --- |

(IN THOUSANDS OF DOLLARS)

|  | BUDGET REQUEST |  | COMMITTEE RECOMMENDED |  | CHANGE FROM REQUEST |  |
|---|---|---|---|---|---|---|
|  | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| CCTV/AUDIOVISUAL EQUIPMENT | -- | 7,556 | -- | 4,556 | -- | -3,000 |
| E + I REQUIREMENTS | -- | 1,822 | -- | 1,822 | -- | --- |
| SPARES AND REPAIR PARTS | -- | 423,269 | -- | 334,169 | -- | -89,100 |
| ITEMS LESS THAN $2,000,000 | -- | 20,690 | -- | 15,190 | -- | -5,500 |
| MODIFICATIONS |  |  |  |  |  |  |
| COMM-ELECTRONICS CLASS IV | -- | 39,990 | -- | 36,790 | -- | -3,200 |
| TACTICAL EQUIPMENT | -- | 21,398 | -- | 21,398 | -- | --- |
| ANTIJAM VOICE | -- | 23,758 | -- | 12,015 | -- | -11,743 |
| TOTAL, ELECTRONICS AND TELECOMMUNICATIONS EQUIP |  | 3,183,122 |  | 2,123,425 |  | -1,059,697 |
| OTHER BASE MAINTENANCE AND SUPPORT EQUIP |  |  |  |  |  |  |
| TEST EQUIPMENT |  |  |  |  |  |  |
| BASE/ALC CALIBRATION PACKAGE | -- | 54,464 | -- | 44,264 | -- | -10,200 |
| NEWARK AFS CALIBRATION PACKAGE | -- | 2,851 | -- | 2,851 | -- | --- |
| TEST EQUIPMENT-GEN PURP | -- | 12,456 | -- | 12,456 | -- | --- |
| ITEMS LESS THAN $2,000,000 | -- | 49,841 | -- | 34,441 | -- | -15,400 |
| PERSONAL SAFETY AND RESCUE EQUIP |  |  |  |  |  |  |
| AUTOMATIC LIFE PERSERVER | 5,355 | 5,396 | 5,355 | 5,396 | -- | --- |
| NIGHT VISION GOGGLES | 1,098 | 8,763 | 1,098 | 8,763 | -- | --- |
| CHEMICAL/BIOLOGICAL DEF PROG | -- | 114,599 | -- | 114,599 | -- | --- |
| ITEMS LESS THAN $2,000,000 | -- | 9,824 | -- | 6,824 | -- | -3,000 |
| DEPOT PLANT + MATERIALS HANDLING EQ |  |  |  |  |  |  |
| BASE MECHANIZATION EQUIPMENT | -- | 34,731 | -- | 34,731 | -- | --- |
| AIR TERMINAL MECHANIZATION EQUIP | -- | 3,153 | -- | 1,153 | -- | -2,000 |
| ITEMS LESS THAN $2,000,000 | -- | 16,085 | -- | 13,185 | -- | -2,900 |
| ELECTRICAL EQUIPMENT |  |  |  |  |  |  |
| GENERATORS-MOBILE ELECTRIC | -- | 26,709 | -- | 26,709 | -- | --- |
| FLOOD LIGHTS | 926 | 11,282 | 926 | 7,682 | -- | -3,600 |
| ITEMS LESS THAN $2,000,000 | -- | 4,155 | -- | 4,155 | -- | --- |
| BASE SUPPORT EQUIPMENT |  |  |  |  |  |  |
| BASE PROCURED EQUIPMENT | -- | 59,793 | -- | 43,493 | -- | -16,300 |
| MEDICAL/DENTAL EQUIPMENT | -- | 143,916 | -- | 114,616 | -- | -29,300 |
| AIR BASE SURVIVABILITY | -- | 22,855 | -- | --- | -- | -22,855 |
| COB ESSENTIAL FACILITIES | -- | 4,060 | -- | --- | -- | -4,060 |
| PALLET, AIR CARGO, 108"X88" | 2,077 | 2,089 | 2,077 | 2,089 | -- | --- |
| NET ASSEMBLY, 108"X88" | -- | 4,501 | -- | 3,201 | -- | -1,300 |
| BLADDERS FUEL | 200 | 2,498 | 200 | 2,498 | -- | --- |
| TACTICAL SHELTER | 59 | 25,879 | 59 | 16,579 | -- | -9,300 |
| PHOTOGRAPHIC EQUIPMENT | -- | 6,526 | -- | 6,526 | -- | --- |
| PRODUCTIVITY ENHANCEMENT | -- | 10,390 | -- | 10,390 | -- | --- |
| PRODUCTIVITY INVESTMENTS | -- | 2,126 | -- | 926 | -- | -1,200 |
| MOBILITY EQUIPMENT | -- | 60,977 | -- | 42,377 | -- | -18,600 |
| WARTIME HOST NATION SUPPORT | -- | 8,197 | -- | 8,197 | -- | --- |
| SPARES AND REPAIR PARTS | -- | 13,915 | -- | 13,015 | -- | -900 |
| ITEMS LESS THAN $2,000,000 | -- | 16,246 | -- | 14,846 | -- | -1,400 |
| SPECIAL SUPPORT PROJECTS |  |  |  |  |  |  |
| INTELLIGENCE PRODUCTION ACTIVITY | -- | 22,739 | -- | 22,739 | -- | --- |
| SCIENTIFIC/TECHNICAL INTELLIGENCE | -- | 10,130 | -- | 10,130 | -- | --- |
| TECH SURV COUNTERMEASURES EQ | -- | 7,757 | -- | 7,757 | -- | --- |
| DEFENSE DISSEMINATION SYSTEM | -- | 8,335 | -- | 8,335 | -- | --- |
| AF TECHNICAL APPLICATION CENTER | -- | 13,634 | -- | 13,634 | -- | --- |
| PHOTO PROC/INTERPRET SYS | -- | 1,470 | -- | 1,470 | -- | --- |
| SELECTED ACTIVITIES | -- | 4,115,736 | -- | 3,911,434 | -- | -204,302 |
| SPECIAL UPDATE PROGRAM | -- | 871,847 | -- | 871,847 | -- | --- |
| INDUSTRIAL SURGE | -- | 19,200 | -- | --- | -- | -19,200 |
| INDUSTRIAL PREPAREDNESS | -- | 2,071 | -- | 2,071 | -- | --- |
| MISC EQUIPMENT | -- | 19,589 | -- | 6,389 | -- | -13,200 |
| MODIFICATIONS | -- | 8,416 | -- | 5,016 | -- | -3,400 |
| NON-CENTRALLY MANAGED ITEMS |  |  |  |  |  |  |
| TOTAL, OTHER BASE MAINTENANCE AND SUPPORT EQUIP |  | 5,839,201 |  | 5,456,784 |  | -382,417 |
| PRIOR YEAR PROGRAM SAVINGS | -- | --- | -- | -70,900 | -- | -70,900 |
| PRIOR YEAR PROGRAM SAVINGS (BY TRANSFER) | -- | --- | -- | (19,400) | -- | (+19,400) |
| PRIOR YEAR PROGRAM SAVINGS (BY TRANSFER) | -- | --- | -- | (51,500) | -- | (+51,500) |
| INFLATION SAVINGS, FY87 | -- | --- | -- | -92,500 | -- | -92,500 |
| TOTAL, OTHER PROCUREMENT, AIR FORCE |  | 10,900,300 |  | 8,654,521 |  | -2,245,779 |
| TRANSFER FROM OTHER ACCOUNTS |  | --- |  | (78,711) |  | (+78,711) |
| TOTAL FUNDING AVAILABLE |  | 10,900,300 |  | 8,733,232 |  | -2,167,068 |

## COMMITTEE RECOMMENDATIONS

### AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with authorization action:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from request |
|---|---|---|---|
| 2.75 Inch Rocket Motor | 23,684 | 21,884 | −1,800 |
| 2.75" Rocket Head, W.P | 8,314 | 1,014 | −7,300 |
| Items Less Than $2,000,000 | 5,704 | 4,404 | −1,300 |
| 5.56 mm | 8,264 | 4,364 | −3,900 |
| 20 mm Combat | 11,898 | 8,198 | −3,700 |
| 20 mm Training | 22,291 | 21,291 | −1,000 |
| 30 mm Training | 59,086 | 41,786 | −17,300 |
| 30 mm API | 40,000 | 31,700 | −8,300 |
| 81 mm | 20,031 | 1,031 | −19,000 |
| MXU-4A/A Engine Starter | 8,341 | 2,541 | −5,800 |
| Items Less Than $2,000,000 | 12,428 | 8,528 | −3,900 |
| MK-82 Inert/BDU-50 | 8,093 | | −8,093 |
| Durandal | 88,131 | 68,931 | −19,200 |
| Timer Actuator Fin Fuze | 4,870 | 1,970 | −2,900 |
| Bomb Hard Target 2000lb | 37,818 | 13,318 | −24,500 |
| Bomb Practice 25 pound | 18,083 | 10,383 | −7,700 |
| CBU-89 (TMD/GATOR) | 194,197 | 113,297 | −80,900 |
| CBU-87 (Combined Effects Munition) | 566,748 | 386,648 | −180,100 |
| Bigeye | 28,400 | | −28,400 |
| Items Less Than $2,000,000 | 2,516 | 1,516 | −1,000 |
| Aerial Tow Target | 12,961 | 6,761 | −6,200 |
| MJU-10B | 29,833 | 18,133 | −11,700 |
| Items Less Than $2,000,000 | 31,448 | 18,748 | −12,700 |
| FMU-112/FMU-139 | 36,824 | 32,524 | −4,300 |
| 9mm Handgun | 8,656 | 5,056 | −3,600 |
| General Reduction | | −31,600 | −31,600 |
| TRI-TAC (Comsec) | 46,082 | 43,082 | −3,000 |
| Items Less Than $2,000,000 | 17,545 | 17,045 | −500 |
| Traffic Control/Landing | 11,899 | 4,899 | −7,000 |
| Tactical Air Control Sys Improve | 64,316 | 32,016 | −32,300 |
| Launch Control Center Communications | 9,415 | | −9,415 |
| Cheyenne Mountain Complex | 10,770 | 8,770 | −2,000 |
| BMEWS Modernization | 41,032 | | −41,032 |
| NAVSTAR GPS | 12,356 | 11,756 | −600 |
| Caribbean Basin Radar Network | 11,272 | 6,972 | −4,300 |
| Air Base Survivability | 3,885 | | −3,885 |
| Tactical Warning Systems Support | 3,435 | 435 | −3,000 |
| North Atlantic Defense C3 | 26,643 | 22,243 | −4,400 |
| WWMCCS/WIS ADPE | 40,092 | 35,792 | −4,300 |
| MAC Command and Control Support | 53,197 | 13,097 | −40,100 |
| Range Improvements | 143,878 | 88,878 | −55,000 |
| Radar Bomb Scorer | 12,837 | 9,137 | −3,700 |
| PLSS | 27,231 | | −27,231 |
| Space Shuttle | 7,756 | 4,856 | −2,900 |
| Base Level Data Auto Program | 99,221 | 47,221 | −52,000 |
| Satellite Control Facility | 126,614 | 65,214 | −61,400 |
| Samto Test Ranges I&M | 66,928 | 21,828 | −45,100 |
| EMP Hardening | 15,786 | 12,486 | −3,300 |
| Information Transmission Systems | 8,038 | 5,738 | −2,300 |
| Telephone Exchange | 76,590 | 52,190 | −24,400 |
| Usredcom | 13,417 | 5,917 | −7,500 |
| Automated Telecommunications Prg | 23,792 | 18,792 | −5,000 |

[In thousands of dollars]

| | Budget request | Committee recommended | Change from request |
|---|---|---|---|
| Cinc Mobile Command Center | 30,260 | ........................ | −30,260 |
| Milstar | 50,614 | ........................ | −50,614 |
| Wideband Systems Upgrade | 68,740 | 45,240 | −23,500 |
| DCS Secure Voice Equipment | 37,762 | 20,862 | −16,900 |
| Tactical C–E Equipment | 66,376 | 26,276 | −40,100 |
| Radio Equipment | 58,307 | 38,007 | −20,300 |
| Fiber Optics | 3,318 | 1,418 | −1,900 |
| CCTV/Audiovisual Equipment | 7,556 | 4,556 | −3,000 |
| Spares and Repair Parts | 423,269 | 334,169 | −89,100 |
| Items Less Than $2,000,000 | 20,690 | 15,190 | −5,500 |
| Comm-Electronics Class IV | 39,990 | 36,790 | −3,200 |
| Base/ALC Calibration Package | 54,464 | 44,264 | −10,200 |
| Items Less Than $2,000,000 | 49,841 | 34,441 | −15,400 |
| Items Less Than $2,000,000 | 9,824 | 6,824 | −3,000 |
| Air Terminal Mechanization Equip | 3,153 | 1,153 | −2,000 |
| Items Less Than $2,000,000 | 16,085 | 13,185 | −2,900 |
| Flood Lights | 11,282 | 7,682 | −3,600 |
| Base Procured Equipment | 59,793 | 43,493 | −16,300 |
| Air Base Survivability | 22,855 | ........................ | −22,855 |
| Cob Essential Facilities | 4,060 | ........................ | −4,060 |
| Net Assembly, 108″ × 88″ | 4,501 | 3,201 | −1,300 |
| Tactical Shelter | 25,879 | 16,579 | −9,300 |
| Productivity Investments | 2,126 | 926 | −1,200 |
| Mobility Equipment | 60,977 | 42,377 | −18,600 |
| Spares and Repair Parts | 13,915 | 13,015 | −900 |
| Items Less Than $2,000,000 | 16,246 | 14,846 | −1,400 |
| Industrial Surge | 19,200 | ........................ | −19,200 |
| Misc Equipment | 19,589 | 6,389 | −13,200 |
| Modifications | 8,416 | 5,016 | −3,400 |

## MUNITIONS AND ASSOCIATED EQUIPMENT

### BSU–49 INFLATABLE RETARDER

The Air Force budgeted $27,375,000 for procurement of 47,987 BSU–49 inflatable retarders. A recent competitive procurement strategy has yielded signficantly lower unit costs than assumed in the budget. The Committee recommends $22,600,000, a reduction of $4,775,000 to account for lower unit costs.

### GBU–15

The Air Force budgeted $138,905,000 for procurement of the GBU–15 glide bomb. The fiscal year 1987 budget funds full scale production of the imaging infrared (IIR) version of this weapon. Testing of this version continues well into next year and there have been production problems with the seeker. In addition, the weapon will soon be replaced by a powered version. The Committee denies funding for the GBU–15, a reduction of $138,905,000.

### 81MM MORTAR

The Air Force budgeted $392,000 for procurement of 27 81mm mortars. The Air Force proposes to procure an older version of this mortar. The Army and Marine Corps, on the other hand, are replacing mortars of the type the Air Force desires with a new version. The Committee believes that the Air Force should use weapons which are becoming excess to the Army and Marine Corps rather than buy new weapons. Accordingly, a $392,000 reduction is recommended.

## ELECTRONICS AND TELECOMMUNICATIONS EQUIPMENT

### TACAN ANTENNAS

The Air Force included no budget request for TACAN. The Committee recommends $8,900,000.

The Committee continues to endorse the procurement of solid state, electronically scanned TACAN antennas for the VORTAC Improvement Program.

### WEATHER OBSERVATION-FORECAST

The Air Force budgeted $61,494,000 for the Weather Observation-Forecast Program. The Committee recommends $51,494,000, a reduction of $10,000,000 from the request. This recommendation provides the Air Force share of the funding for the next generation weather radar and continues the level of effort for the remainder of the program at the fiscal year 1986 level.

### DEFENSE SUPPORT PROGRAM

The Air Force budgeted $100,093,000 for the Defense Support Program. The Committee recommends $81,783,000, a reduction of $18,310,000 from the request, and use of $4,510,000 in unobligated fiscal year 1985 appropriations to fund part of the fiscal year 1987 request. Subsequent to the budget submission, the Mobile Communications Terminal Upgrade has been deferred, accounting for $13,800,000 of the reduction. In addition, the Air Force achieved contract savings of $4,510,000 in fiscal year 1985 appropriations through procurement of commercial receivers rather than previously planned militarized receivers.

### OTH-B RADAR

The Air Force budgeted $188,157,000 for the OTH-B Radar. The Committee recommends $110,000,000, a reduction of $78,157,000 from the request.

The Committee supports the two sectors requested in the budget, but provides sufficient funding for the procurement of only one sector in fiscal year 1987, in view of the fiscal restraints on the budget.

### PAVE PAWS

The Air Force budgeted $120,206,000 for the PAVE PAWS program. The Committee recommends $45,951,000, a reduction of $74,255,000 from the request. The Committee action defers procurement for power upgrades budgeted in fiscal year 1987.

### MARS USAF/FAA RADAR UPGRADE

The Air Force budgeted $16,194,000 for the MARS USAF/FAA Radar Upgrade. The Committee recommends denial of the request because the program has slipped one year.

### AUTOMATIC DATA PROCESSING EQUIPMENT

The Air Force budgeted $135,569,000 for procurement of general purpose ADP equipment in fiscal year 1987. The Committee recommends $131,469,000, a reduction of $4,100,000 from the request. Based on the current acquisition schedule for Headquarters Computer Replacement Program, $2,900,000 budgeted in fiscal year 1987 is premature. In addition, $1,200,000 budgeted for the Improved Services Program is not necessary, by comparing Air Force testimony to the amounts budgeted.

### WEAPONS STORAGE-SECURITY

The Air Force budgeted $20,535,000 for the Weapons Storage-Security Program. The Committee approves the full amount of the request.

This program involves the installation of weapons storage vaults in aircraft shelters. The Committee feels strongly that about 30 percent of the total projected $220,000,000 five year cost of this program clearly falls under the category of construction rather than procurement, and therefore directs the Air Force to request approximately 30 percent of the $220,000,000 under the military construction account.

### JOINT SURVEILLANCE SYSTEM

The Air Force budgeted $9,410,000 for the Joint Surveillance System. The Committee recommends $9,109,000, a reduction of $301,000 from the request, and use of $301,000 in unobligated fiscal year 1985 appropriations to fund part of the fiscal year 1987 request. The fiscal year 1985 unobligated balances resulted from savings available after completion of an interagency work agreement.

### JOINT TACTICAL COMMUNICATIONS PROGRAM

The Air Force budgeted $234,093,000 for the Joint Tactical Communications Program. The Committee recommends $154,593,000, a reduction of $79,500,000 from the request, and use of $3,000,000 in unobligated fiscal year 1986 appropriations to fund part of the fiscal year 1987 request. The recommendation funds part of the authorized level with $3,000,000 in fiscal year 1986 savings in the Digital Group Multiplexer element of this program.

### MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK

The Air Force budgeted $97,187,000 for the Minimum Essential Communications Network. The Committee recommends $51,187,000, a reduction of $46,000,000 from the request.

The Committee is disturbed that the Air Force has shown insufficient cooperation with local communities and governments during construction of Ground Wave Emergency Network (GWEN) towers.

The Committee directs the Air Force to fully co-operate with local communities and governments, and follow all applicable local environmental and other regulations and procedures.

### ANTI-JAM VOICE MODIFICATIONS

The Air Force budgeted $23,758,000 for the Anti-Jam Voice program. The Committee recommends $12,015,000, a reduction of $11,743,000 from the request. The amount reduced was intended for procurement of the Army SINCGARS radio, which will not be ready for procurement in fiscal year 1987.

## OTHER BASE MAINTENANCE AND SUPPORT EQUIPMENT

### CHEMICAL BIOLOGICAL DEFENSE PROGRAM

The Air Force budgeted $114,599,000 for the Chemical Biological Defense Program. The Committee recommends approval of the request, but has several concerns with regard to the survivable collective protection shelters program.

The Committee has approved the amount requested for Air Force Survivable collective protective shelters. However, the Department is directed to submit all future budget requests for survivable semi-hardened collective protective systems through the military construction account. Truly mobile softwall collective protective systems shall remain a legitimately funded Procurement item. The Committee has found that the semi-hardened protective systems are neither truly mobile nor transportable in a cost effective manner, and are therefore legitimately construction items.

The Committee is also concerned about the long term plan of the Department of Defense for the provision of collective protection to DOD personnel in all services. The Department is directed to submit a coordinated plan which addresses total requirements, the integration of various collective protection efforts among the Services, and details program costs and locations and which relates the program to those of our allies. This report should be submitted by February 1, 1987.

Finally, the Committee expects that these shelters will be procured from an American source and that all major components, i.e., filter/blower units, engine/generator exhaust fans, blast valves and blast doors will be manufactured in the United States.

### MEDICAL-DENTAL EQUIPMENT

The Air Force budgeted $143,916,000 for the Medical-Dental Equipment program. The Committee recommends $114,616,000, a reduction of $29,300,000 from the request. This recommendation is discussed under the "Military Health Care" heading in the Operation and Maintenance section of this report.

## PRIOR YEAR SAVINGS

The Committee recommends a reduction of $70,900,000 for Other Procurement, Air Force, to be offset by use of $51,500,000 in fiscal year 1985 and $19,400,000 in fiscal year 1986 unobligated balances to fund part of the fiscal year 1987 Other Procurement, Air Force request. These prior year savings in the PLSS program are not needed to fund fiscal year 1987 requirements.

### INFLATION ADJUSTMENT

As discussed in the beginning of the Procurement section of this report, the Committee recommends an inflation adjustment of $92,500,000.

## NATIONAL GUARD AND RESERVE EQUIPMENT

| | |
|---|---|
| Appropriation, 1986 | $1,501,800,000 |
| Adjusted Base, 1986 | 1,469,538,000 |
| New obligational authority, 1987: | |
| Estimate | |
| Recommended | 752,068,000 |
| Increase | 752,068,000 |

### PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| NATIONAL GUARD AND RESERVE EQUIPMENT, DEFENSE | | | | | | |
| RESERVE, ARMY | | | | | | |
| MISCELLANEOUS EQUIPMENT | -- | --- | -- | 100,000 | -- | +100,000 |
| TOTAL, RESERVE ARMY | | --- | | 100,000 | | +100,000 |
| RESERVE, NAVY | | | | | | |
| P-3C PATROL (ORION) | -- | --- | 7 | 242,968 | +7 | +242,968 |
| CSAR HELICOPTERS | -- | --- | -- | 38,000 | -- | +38,000 |
| AIRCRAFT SUPPORT EQUIPMENT | -- | --- | -- | 20,000 | -- | +20,000 |
| AIRBORNE MINE COUNTERMEASURES | -- | --- | -- | 8,000 | -- | +8,000 |
| TOTAL, RESERVE NAVY | | --- | | 308,968 | | +308,968 |
| RESERVE, MAR CORPS | | | | | | |
| MISC COMM/ELECTRONICS EQUIPMENT | -- | --- | -- | 3,600 | -- | +3,600 |
| MISCELLANEOUS ENGINEERING EQUIPMENT | -- | --- | -- | 29,300 | -- | +29,300 |
| ANALYZER SET ENGINE (STE/ICE) | -- | --- | -- | 1,100 | -- | +1,100 |
| KC-130 T AIRCRAFT | -- | --- | 2 | 40,000 | +2 | +40,000 |
| TOTAL, RESERVE MARINE CORPS | | --- | | 74,000 | | +74,000 |
| RESERVE, AF | | | | | | |
| C-130H AIRCRAFT | -- | --- | 8 | 150,000 | +8 | +150,000 |
| TOTAL, RESERVE AIR FORCE | | --- | | 150,000 | | +150,000 |
| GUARD, ARMY | | | | | | |
| NON-SYSTEM TRAINING DEVICES | -- | --- | -- | 25,000 | -- | +25,000 |
| COMMUNICATIONS EQUIPMENT | -- | --- | -- | 23,500 | -- | +23,500 |
| 5-TON TRUCKS | -- | --- | -- | 20,600 | -- | +20,600 |
| TOTAL, ARMY NATIONAL GUARD | | --- | | 69,100 | | +69,100 |
| GUARD, AF | | | | | | |
| MISCELLANEOUS EQUIPMENT | -- | --- | -- | 50,000 | -- | +50,000 |
| TOTAL, AIR NATIONAL GUARD | | --- | | 50,000 | | +50,000 |
| TOTAL, NATIONAL GUARD AND RESERVE EQUIPMENT, DEFENSE | | --- | | 752,068 | | +752,068 |

Details of this Committee's recommendations are included in the Guard and Reserve section at the beginning of this report.

## PROCUREMENT, DEFENSE AGENCIES

| | |
|---|---|
| Appropriations, 1986 | $1,302,740,000 |
| Adjusted Base, 1986 | 1,238,906,000 |
| New obligational authority, 1987: | |
| Estimate | 1,488,400,000 |
| Recommended | 1,503,361,000 |
| Increase | 14,961,000 |

This appropriation provides for the procurement of capital equipment for the Defense Communications Agency, the Defense Logistics Agency, and other agencies of the Department of Defense. The 1987 program includes procurement of automatic data processing equipment, mechanized materials handling systems, general and special purpose vehicular equipment, communications equipment, and many other things.

## PROGRAM RECOMMENDED

The total amount recommended in the bill will provide the following program in fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | | COMMITTEE RECOMMENDED | | CHANGE FROM REQUEST | |
|---|---|---|---|---|---|---|
| | QTY | AMOUNT | QTY | AMOUNT | QTY | AMOUNT |
| PROCUREMENT, DEFENSE AGENCIES | | | | | | |
| MAJOR EQUIPMENT, OSD | | | | | | |
| MAJOR EQUIPMENT, OSD/WHS | -- | 111,289 | -- | 111,289 | -- | --- |
| MAJOR EQUIPMENT, DNA | | | | | | |
| VEHICLES | -- | 232 | -- | 232 | -- | --- |
| OTHER CAPITAL EQUIPMENT | -- | 4,298 | -- | 4,298 | -- | --- |
| MAJOR EQUIPMENT, DCA | | | | | | |
| WWMCCS ADP SYSTEMS | -- | 14,887 | -- | 14,887 | -- | --- |
| ITEMS LESS THAN $900,000 EACH | -- | 40,169 | -- | 40,169 | -- | --- |
| MAJOR EQUIPMENT, DLA | | | | | | |
| MATERIALS HANDLING EQUIPMENT | -- | 8,642 | -- | 8,642 | -- | --- |
| VEHICLES | -- | 1,387 | -- | 1,387 | -- | --- |
| MECHANIZED MATERIALS HANDLING SYS | -- | 24,723 | -- | 24,723 | -- | --- |
| ADP EQUIPMENT | -- | 60,026 | -- | 54,026 | -- | -6,000 |
| TELECOMMUNICATIONS EQUIPMENT | -- | 17,289 | -- | 17,289 | -- | --- |
| OTHER MAJOR EQUIPMENT | -- | 10,023 | -- | 10,023 | -- | --- |
| ITEMS LESS THAN $900,000 EACH | -- | 2,900 | -- | 2,900 | -- | --- |
| AUTOMATED MARKING/READING SYSTEM(LOGMARS) | -- | 500 | -- | 500 | -- | --- |
| MAJOR EQUIPMENT, DMA | | | | | | |
| VEHICLES | -- | 368 | -- | 368 | -- | --- |
| OTHER CAPITAL EQUIPMENT | -- | 30,120 | -- | 30,120 | -- | --- |
| RASTER SCAN EDIT STATION | -- | 1,746 | -- | 1,746 | -- | --- |
| MAJOR EQUIPMENT, DIS | | | | | | |
| VEHICLES | -- | 1,789 | -- | 1,789 | -- | --- |
| OTHER CAPITAL EQUIPMENT | -- | 1,849 | -- | 1,849 | -- | --- |
| MAJOR EQUIPMENT, USUHS | | | | | | |
| ITEMS LESS THAN $900,000 EACH | -- | 1,295 | -- | 1,295 | -- | --- |
| MAJOR EQUIPMENT, DCAA | | | | | | |
| ITEMS LESS THAN $900,000 EACH | -- | 8,064 | -- | 8,064 | -- | --- |
| MAJOR EQUIPMENT, DAVA | | | | | | |
| MAJOR EQUIPMENT DRSP | | | | | | |
| ITEMS LESS THAN $900,000 EACH | -- | 402,845 | -- | 257,545 | -- | -145,300 |
| MAJOR EQUIPMENT, DIG | | | | | | |
| ITEMS LESS THAN $900,000 EACH | -- | 1,700 | -- | 1,700 | -- | --- |
| CLASSIFIED PROGRAMS | -- | 742,259 | -- | 922,320 | -- | +180,061 |
| INFLATION SAVINGS, FY87 | -- | --- | -- | -13,800 | -- | -13,800 |
| TOTAL, PROCUREMENT, DEFENSE AGENCIES | | 1,488,400 | | 1,503,361 | | +14,961 |

## DLA ADP

The Defense Logistics Agency budgeted $60,026,000 for procurement of general purpose ADP equipment in fiscal year 1987. Based on current schedules, $6,000,000 for a CPU replacement at the Defense Personnel Support Center is no longer needed. The Committee recommends $54,026,000, a reduction of $6,000,000.

### CLASSIFIED PROGRAMS

Adjustments to classified programs are addressed in the Classified Annex to this report.

### INFLATION ADJUSTMENT

As discussed in the beginning of the Procurement section of this report, the Committee recommends an inflation adjustment of $13,800,000.

## DEFENSE PRODUCTION ACT PURCHASES

| | |
|---|---|
| Appropriations, 1986 | $31,000,000 |
| Adjusted Base, 1986 | 29,481,000 |
| New obligational authority, 1987: | |
| Estimate | 30,000,000 |
| Recommended | 40,000,000 |
| Increase | 10,000,000 |

The Department budgeted $30,000,000 for Defense Production Act Purchases. The Committee recommends $40,000,000, an increase of $10,000,000 to the request, and directs that $16,000,000 of this amount be allocated for Phase II of the Reclamation of Superalloy Scrap project initiated in fiscal year 1986, and that $5,000,000 be allocated to the discontinuous-silicon carbide reinforced aluminum project.

Defense Production Act purchases are designed to develop the capacity of the United States industrial base to produce critical materials needed for defense. In fiscal year 1986 Congress approved $4,000,000 for Phase I of the Reclamation of Superalloy Scrap project. The purpose of the project is to establish a domestic capability to reclaim chromium and other strategic materials from superalloy scrap. These materials, which are vital in the production of aircraft engines and other military equipment, are principally supplied to the United States by South Africa, Zimbabwe, and Yugoslavia. Phase II of the Reclamation of Superalloy Scrap project would within two years develop the capacity for United States industry to produce 4 million pounds of chromium annually.

The Committee is concerned that excessive delays in the obligation of appropriated funds under this program are resulting from the role played by the Office of Management and Budget in reviewing the merits of individual projects. It is the Committee's view that specific projects recommended by the Secretary of Defense and requested by the President in his budget and/or funded through the appropriations process by the Congress to further the national defense require only minimal processing by the Office of Management and Budget.

# TITLE IV

## RESEARCH, DEVELOPMENT, TEST AND EVALUATION

### ESTIMATES AND APPROPRIATION SUMMARY

The fiscal year 1987 Department of Defense research, development, test and evaluation budget totaled $41,929,900,000. The accompanying bill recommends a total program $33,956,074,000 in new obligational authority, and in addition $144,573,000 to be derived by transfer from prior year accounts. The table below summarizes the budget estimates and the Committee's recommendations:

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

[In thousands of dollars]

| | Budget request | Recommended | Change |
|---|---|---|---|
| RDT&E, Army | 5,550,300 | 4,426,660 | −1,123,640 |
| Transfer from other accounts | | (22,823) | (+22,823) |
| RDT&E, Navy | 10,586,800 | 8,640,727 | −1,946,073 |
| Transfer from other accounts | | (29,050) | (+29,050) |
| RDT&E, Air Force | 17,275,400 | 14,190,262 | −3,085,138 |
| Transfer from other accounts | | (66,200) | (+66,200) |
| RDT&E, Defense Agencies | 8,364,300 | 6,577,588 | −1,786,712 |
| Transfer from other accounts | | (26,500) | (+26,500) |
| RDT&E, Developmental Test and Evaluation, Defense | 141,800 | 109,537 | −32,263 |
| RDT&E, Operational Test and Evaluation, Defense | 11,300 | 11,300 | |
| Total, RDT&E, New Budget Authority | 41,929,900 | 33,956,074 | −7,973,826 |
| Transfer from other accounts | | (144,573) | (+144,573) |
| Total funding available | 41,929,900 | 34,100,647 | −7,829,253 |

### ANTI-ARMOR PROGRAMS

A subject of continuing dialogue between the Committee and the Department is the preparation of a single integrated approach to the anti-armor mission. It has been the Committee's position that too many programs are being pursued, that little or no control is being exercised by OSD, and that rigorous critique of claimed requirements is not being made. One step in improving the situation has been the preparation of an annual Anti-Armor Master Plan. To date, three editions have been published, each superior to the last. The process has now been firmly established, and the Committee expects that the fiscal year 1988 edition will meet fully the original intent. Specifically, the content of the plan is to reflect the resolution of issues which bear on a single integrated approach to the anti-armor mission, and is to form the basis for the subsequent budget request. Thus, the decisions needed in formulating the fiscal year 1988 budget are being taken in the context of an updated Master Plan. The Committee fully expects that the fiscal year 1988 request will be prepared from, and be directly traceable to, the fiscal year 1988 edition of the Anti-Armor Master Plan. Said plan is to be submitted to the Committee not later than, and preferably prior to, submission of the fiscal year 1988 budget.

In its fiscal year 1986 report, the Committee directed submission of a Charter which establishes the Anti-Armor Steering Group as a permanent entity, chaired by a representative of OSD. The Department has not done so, citing the need to study the chartering of the Munitions Council, an umbrella activity which would include anti-armor matters. From the Committee's viewpoint, whether the Anti-Armor Steering Group stands alone, or is organizationally one element of a group with broader responsibilities, is immaterial. Rather, the matters of importance are formal establishment, continuous operation, annual preparation of the Anti-Armor Master Plan, and long term stability. The Committee expects rapid resolution of this organizational question, and directs submission not later than December 31, 1986 of the pertinent charter and directive for the Anti-Armor Steering Group, either as a separate entity or as an element of the Munitions Council.

As it did last year, the Committee directs that $500,000 of the funds provided for P.E. 6.51.04D, Technical Support to USDR&E, be used to support anti-armor requirements analysis by OSD. The Committee directs that future budgets include funds specifically identified for such activities.

## UNIVERSITY RESEARCH INITIATIVES

The Department's combined request for University Research Initiatives (URI) totaled $49,478,000. In Fiscal Year 1986, Congress provided a post-sequester total of $89,992,000 for this program, an amount somewhat above the originally planned levels.

The Committee believes that investment in our nation's technology base is the vital long-term component to maintaining the sustained growth, national security, and industrial competitiveness of the nation. University funded research is an important component of these goals, and the URI program will be a successful method of strengthening university research.

Currently, some 70 institutions are involved in the URI program. The Department has advised the Committee that the request for FY '87 is necessary to complete the funding profile for the program.

The Committee agreed, therefore, to provide the Department's request of $49,478,000 for the URI program. The funding is not earmarked under the bill. The Committee also urges the Department of the Army to expand the scope of the program to include the applied mathematics and logistics research categories of the URI program unless there has been a demonstrable change in the need for research in these areas.

## NATIONAL AEROSPACE PLANE

The Department of Defense requested $149,017,000 to initiate advanced development of the National Aerospace Plane (NASP) in fiscal year 1987. The Administration has also requested $47,000,000 in NASA funding, for total fiscal year 1987 funding of $196,017,000. The Committee recommends $60,000,000 in Department of Defense funding. This represents an increase of 33 percent over the level provided in fiscal year 1986.

The Committee believes that development of the NASP should proceed at a slower pace until several critical issues are resolved. Foremost among these is the affordability of a development effort which is estimated to cost several billion dollars between fiscal years 1987 and 1993. During this same period, the Department of Defense will need to develop a heavy-lift, unmanned space cargo vehicle to meet SDI requirements. It is doubtful that both programs can be supported in the tight budget years ahead.

In addition, the Department has offered no compelling reason for initiating a "crash" program to develop the NASP. Research on NASP technology was funded at $45,000,000 in fiscal year 1986, which is a significant level of effort. Although the Department is requesting a 230 percent increase in funding for fiscal year 1987, it has been able to offer no estimates of total development cost, no estimates of maximum payload, and no estimates of mission applications and possible operational requirements.

Furthermore, the Committee believes that dividing NASP funding among five separate departments or agencies, as is proposed in the fiscal year 1987 budget, would lead to an unnecessarily cumbersome arrangement which could result in bureaucratic delays and excessive overhead costs. It may also obscure the total costs being contemplated. Since mission applications have not yet been identified, it seems appropriate to focus NASP funding in DARPA and SDIO. Consequently, the Committee recommends no Navy or Air Force funding for NASP at this time.

## INDEPENDENT RESEARCH AND DEVELOPMENT

## BID AND PROPOSAL

The Department proposed a fiscal year 1987 ceiling for Independent Research and Development (IR&D) and Bid and Proposal (B&P) of $5,462,400,000. The Department stated that in recognition of pressures to reduce the deficit it was limiting its request to a ceiling equal to last year's $5,200,000,000, plus 3.6 percent for inflation, plus 1.4 percent for new companies meeting the threshold requirements for a negotiated advance agreement. The Committee notes that last year's ceiling was determined prior to sequestration of fiscal year 1986 funds under the provisions of the Balanced Budget and Emergency Deficit Control Act of 1985. With few exceptions, that sequestration reduced budget authority for defense programs by 4.9 percent. That reduction translates ultimately into lower contract expenditures, of which IR&D and B&P are carried as part of overhead expenses. The Committee finds that a fiscal year 1987 ceiling for IR&D and B&P must be computed using a fiscal year 1986 base which has been adjusted in part for sequestration. Accordingly, the Committee approves a ceiling of $5,331,200,000 for IR&D and B&P for fiscal year 1987.

The Committee is advised that the Department has been failing to fully allocate IR&D and B&P ceilings agreed to by the Congress. While negotiating downward from a ceiling is desirable in negotiating a hardware procurement, it is inappropriate in the case of IR&D and B&P, because the net result is less research and fewer bids. The Committee directs that fiscal year 1987 and future IR&D and B&P ceilings be fully allocated by the Department.

Last year, the Committee instructed the Department to take into account changes in a contractor's business base within the immediately prior fiscal year when negotiating individual ceilings. The same consideration must be given to firms which reach business levels sufficient to require negotiated advance agreements for IR&D and B&P. In such cases, the Department must make fair and rapid allocation of applicable ceilings.

### ADVANCED SEMICONDUCTOR RESEARCH

In recognition of a pressing concern, the Committee last year instituted a pilot program for the development of semiconductor materials and devices which are of a more advanced nature than are now available. The initial results are encouraging, and the Committee directs continuation of the program. Fiscal year 1987 funding of $1,500,000 for the program is to be derived from the funds made available for Defense Research Sciences, comprised of $450,000 each from the Army, Navy and Air Force, and $150,000 from Defense Agencies.

### COOPERATIVE DOD/VA MEDICAL RESEARCH

In response to the initiative made by the House Armed Services Committee, the Committee recommends a total of $35,000,000 for Cooperative DoD/VA Medical Research. That total is provided as $10,000,000 for the Army, $10,000,000 for the Navy, and $15,000,000 for the Air Force, offset in each case by a general reduction, as specified by authorization.

## RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

| | |
|---|---|
| Appropriations, 1986 | $4,798,172,000 |
| Adjusted Base, 1986 | 4,563,062,000 |
| New Obligational Authority, 1987: | |
| Estimate | 5,550,300,000 |
| Recommended | 4,426,660,000 |
| Decrease | 1,123,640,000 |
| Total Recommended in the Bill | [1] 4,449,483,000 |

[1] Includes $4,426,660,000 in new obligational authority and in addition $22,823,000 in prior year unobligated balances to be derived by transfer from "Research, Development, Test and Evaluation, Army, 1986/1987".

This appropriation funds the Research, Development, Test and Evaluation activities of the Army.

### AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with authorization action:

($000)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| RESEARCH DEVELOPMENT TEST + EVAL, ARMY | | | |
| WEAPONS & MUNITIONS TECHNOLOGY | 28,663 | 23,663 | -5,000 |
| CLOTHING EQUIP AND SHELTER TECH | 18,012 | 15,012 | -3,000 |
| JT SVC FOOD SYS TECH | 5,162 | 3,662 | -1,500 |
| MATERIELS AND STRUCTURES | 20,154 | 18,054 | -2,100 |
| OPERATIONAL ENHANCEMENTS | 2,637 | --- | -2,637 |
| BATTLEFIELD ENVIRONMENT SIMULATION | 7,083 | 4,083 | -3,000 |
| LANDMINE WARFARE/BARRIER DEV | 11,344 | 21,344 | +10,000 |
| JOINT SERVICE SMALL ARMS PROGRAM | 9,480 | 7,480 | -2,000 |
| NUCLEAR VULNERABILITY ADV TECHNOLOGY | 6,614 | --- | -6,614 |
| SPACE TECHNOLOGY INTEGRATION | 987 | --- | -987 |
| HUMAN FACTORS ENGINEERING APPLICATIONS | 2,458 | --- | -2,458 |
| ADV ELECTRONIC DEVICES DEV | 5,537 | --- | -5,537 |
| ADVANCED TACTICAL COMMUNICATIONS TECHNOLOGY | 1,461 | --- | -1,461 |
| ADV TACTICAL COMPUTER SCIENCE & TECHNOLOGY | 13,674 | 10,674 | -3,000 |
| BATTLEFIELD SUSTAINMENT | 3,342 | --- | -3,342 |
| CLASSIFIED PROGRAMS | 33,721 | 15,803 | -17,918 |
| ADVANCED ROTOCRAFT TECHNOLOGY INTEGRATION/LHX | 44,420 | 40,000 | -4,420 |
| ANTI-TACTICAL MISSILE SYSTEM | 38,635 | --- | -38,635 |
| LIGHT WEIGHT AIR DEFENSE SYSTEM | 21,717 | --- | -21,717 |
| WEAPONS AND AMMUNITION | 173 | 20,173 | +20,000 |
| SMOKE MUNITIONS AND MATERIEL CONCEPTS | 3,189 | 2,589 | -600 |
| ARTILLERY/MORTAR AMMO DEVELOPMENT | 17,210 | 9,807 | -7,403 |
| ELECTRIC POWER SOURCES | 8,017 | 5,017 | -3,000 |
| AIRCRAFT SURVIVABILITY EQUIPMENT | 4,588 | --- | -4,588 |
| ARMY DATA DISTRIBUTION SYSTEM | 42,122 | 37,122 | -5,000 |
| ELECT WRFR VULNERABILITY/SUCEPTIBILITY | 16,912 | --- | -16,912 |
| COMBAT SUPPORT EQUIPMENT | 24,285 | 22,285 | -2,000 |
| SHORT RANGE AIR DEFENSE COMMAND AND CONTROL | 16,189 | --- | -16,189 |
| AIR DEFENSE ALTERNATIVES | 103,944 | --- | -103,944 |
| COMBAT SERVICE SUPPORT CONTROL SYS | 4,608 | 1,000 | -3,608 |
| GRASS BLADE | 6,698 | --- | -6,698 |
| INFANTRY SUPPORT WEAPONS | 26,044 | 21,044 | -5,000 |
| LANDMINE WARFARE | 16,755 | 9,876 | -6,879 |
| COMM ENGINEERING DEV | 6,473 | 5,473 | -1,000 |
| MODULAR INTEGRATED COMM AND NAVIGATION SYS | 8,224 | --- | -8,224 |
| IDENTIFICATION FRIEND OR FOE EQUIPMENT DEV | 9,871 | --- | -9,871 |
| PHYSICAL SECURITY | 1,216 | 7,216 | +6,000 |
| CHEM BIO PROTECTIVE MATERIEL | 10,550 | 3,000 | -7,550 |
| DIVISION AIR DEFENSE COMMAND AND CONTROL | 82,065 | 30,000 | -52,065 |
| HV ANTI-TANK ASSAULT WPN SYS (TOW) | 12,468 | 5,000 | -7,468 |
| COMBAT VEHICLE IMPROVEMENT PROGRAM | 79,203 | 50,000 | -29,203 |
| PATRIOT PRODUCT IMPROVEMENT PROGRAM | 40,221 | --- | -40,221 |
| AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM | 14,592 | 13,592 | -1,000 |
| JOINT TACTICAL COMMO PROGRAM (TRITAC) | 17,401 | 15,401 | -2,000 |
| SATCOM GROUND ENVIRONMENT | 94,478 | 79,478 | -15,000 |
| TARGET MISSILES | 9,731 | 7,731 | -2,000 |
| NATO RESEARCH AND DEVELOPMENT | 49,356 | --- | -49,356 |
| NON-SYSTEM TNG DEVICES ENGR | 46,260 | 43,260 | -3,000 |

($000)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| AVIATION ENGINEERING FLIGHT ACTIVITY | 13,217 | 12,217 | -1,000 |
| MATERIEL SYSTEMS ANALYSIS | 16,966 | 15,966 | -1,000 |
| NUCLEAR SURVIVABILITY TESTING & ANALYSIS | 3,950 | --- | -3,950 |
| INTL COOPERATIVE RESEARCH AND DEV | 977 | --- | -977 |
| MUNITIONS STANDARDZION EFFECTIVENESS & SAFETY | 11,610 | 10,610 | -1,000 |
| PRODUCTIVITY INVESTMENTS | 53,893 | 43,893 | -10,000 |
| COMBAT VEHICLE DIESEL ENGINE | --- | 9,000 | +9,000 |
| GUARD/RESERVE UNIQUE R&D | --- | 5,000 | +5,000 |
| LIGHT ARMORED VEHICLE/WEASEL EVALUATION | --- | 10,000 | +10,000 |
| MINE FLAIL WHEELED VEHICLE | --- | 10,000 | +10,000 |
| GROUND LAUNCHED HELLFIRE | --- | 2,000 | +2,000 |
| STINGER SYSTEM SAFEGUARD | --- | 1,000 | +1,000 |
| NATO COOPERATIVE R&D | --- | 31,000 | +31,000 |
| TACTICAL RPV EVALUATION | --- | 10,000 | +10,000 |
| FIBER OPTICS GUIDED MISSILES | --- | 83,313 | +83,313 |
| QUIET GENERATORS | --- | 5,000 | +5,000 |
| CLOSE IN AIR DEFENSE | --- | 10,000 | +10,000 |
| MILAN II EVALUATION | --- | 20,000 | +20,000 |
| COOPERATIVE DOD/VA MEDICAL RESEARCH | --- | 10,000 | +10,000 |
| PRIOR YEAR FUEL SAVINGS | --- | -830 | -830 |
| FY 87 FUEL SAVINGS | --- | -9,100 | -9,100 |

## COMMITTEE RECOMMENDATIONS

### PROGRAM FUNDING ADJUSTMENTS

The budget request included amounts for some programs which exceeded by unjustifiably large percentages the amounts provided for fiscal year 1986. The Committee accordingly recommends the following reductions:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from budget |
|---|---|---|---|
| In-House Lab Indep Res | 19,020 | 17,153 | −1,867 |
| Defense Research Sciences | 212,594 | 193,682 | −18,912 |
| Materials | 16,346 | 14,215 | −2,131 |
| Atmospheric Investigations | 11,563 | 9,243 | −2,320 |
| Nuclear Wpns Effects | 47,797 | 37,678 | −10,119 |
| Aircraft Avionics Tech | 11,102 | 10,812 | −290 |
| Airdrop Technology | 2,900 | 1,720 | −1,180 |
| Missile Technology | 24,587 | 21,208 | −3,379 |
| Laser Weapon Technology | 11,228 | 8,311 | −2,917 |
| Tank & Automotive Tech | 25,711 | 21,591 | −4,120 |
| Chemical & Smoke Munitions | 23,228 | 20,004 | −3,224 |
| Jt. Service Small Arms Prog | 11,119 | 10,617 | −502 |
| Tact Teleprocessing Tech | 26,894 | 24,275 | −2,619 |
| Mil Environ Criteria Dev | 3,413 | 3,139 | −274 |
| Electronics & Elect. Devices | 24,039 | 21,035 | −3,004 |
| Mapping/Geodesy | 9,678 | 7,575 | −2,103 |
| Mobility & Wpns Effects Tech | 14,879 | 13,324 | −1,555 |
| Manpower/Personnel/Train | 4,730 | 3,520 | −1,210 |
| Computer & Info Science | 2,574 | 2,144 | −430 |
| Cold Regions Engineer Tech | 4,308 | 3,227 | −1,081 |
| Military Fac. Engineer Tech | 5,764 | 5,215 | −549 |
| Mobility Equip Tech | 15,914 | 15,506 | −408 |
| Tactical Software Tech | 10,794 | 8,392 | −2,402 |
| Military Disease Hazards Tech | 48,677 | 45,507 | −3,170 |
| Aircraft Weapons | 10,349 | 6,549 | −3,800 |
| Rotary Wing Cont/Rotors/Struc | 23,560 | 16,960 | −6,600 |
| Airdrop Advancement | 4,547 | 3,726 | −821 |
| Army Dev and Employ Activity | 11,411 | 9,772 | −1,639 |
| Ammunition Logistics | 2,170 | 1,500 | −670 |

[In thousands of dollars]

| | Budget request | Committee recommended | Change from budget |
|---|---|---|---|
| Night Vision Adv Develop | 29,080 | 26,692 | −2,388 |
| Manpower & Personnel | 14,204 | 6,696 | −7,508 |
| Human Fac in Tng/Oper Effect | 9,191 | 7,097 | −2,094 |
| Training Simulation | 6,618 | 4,620 | −1,998 |
| Army Battlefield Tech Integ | 12,385 | 11,510 | −875 |
| CB Def/Smk Adv Tech Demon | 7,484 | 2,984 | −4,500 |
| Nonsys Medical Material Dev | 19,492 | 14,074 | −5,418 |
| Air Mobility Support | 10,848 | 7,848 | −3,000 |
| Airdrop Equipment Systems | 1,256 | 1,000 | −256 |
| Soldier Support/Survivability | 4,722 | 4,392 | −330 |
| Air Mobility Support Equip | 4,418 | 2,506 | −1,912 |
| Night Vision Devices | 21,944 | 10,944 | −11,000 |
| Combat Feed, Cloth, Equip | 4,363 | 3,423 | −940 |
| Kwajalein Missile Range | 163,470 | 148,605 | −14,865 |
| Support of Developmental Testing | 50,444 | 47,194 | −3,250 |

## AIRCRAFT POWER PLANTS AND PROPULSION

The Army requested $20,365,000 for Aircraft Power Plants and Propulsion. The stated efforts in this program include an auxiliary power unit which the Army says has "potential application in the 21st century", a 5,000 shaft horsepower engine which contractors are supposed to finish in fiscal year 1986, and a new start on a 2,500 shaft horsepower engine. It appears to the Committee that too many different efforts are being pursued without known, documented requirements. The Committee recommends $15,365,000 for Aircraft Power Plants and Propulsion, a reduction of $5,000,000 from the budget request.

## ROTARY WING CONTROLS/ROTORS/STRUCTURES

The Committee recommends $16,960,000 for Rotary Wing Controls/Rotors/Structures, a reduction of $6,600,000 from the budget request. Of the funds made available, $1,000,000 shall be used to conduct a survivability/vulnerability study as part of ongoing work on a heavy-lift, hybrid airship. This work will evaluate flight characteristics, assess vulnerability and survivability, analyze overall potential productivity, and address operational applications of the cyclocrane in a military environment.

## TERMINALLY GUIDED PROJECTILES

The Army requested $27,939,000 for Terminally Guided Projectiles, consisting of three new starts. A new laser designator is proposed, although the existing Ground Laser Locator Designator is still in production, and although the trend in weapons development is clearly away from laser guidance. A new fire-and-forget 155-millimeter projectile is proposed, although the Army already is developing SADARM, a fire-and-forget submunition to be carried by 155-millimeter projectiles and MLRS rockets. A new start on R&D related to Guidance and Control subsystems is again proposed, although the Committee specifically denied funds for this project last year because work of this kind is funded in Manufacturing Methods and Technology. The Committee finds that none of these projects are justified, and recommends no funds for Terminally Guided Projectiles.

### MISSILE AND ROCKET COMPONENTS

The Army requested $37,881,000 for Missile and Rocket Components.

The request included $5,000,000 for Fiber Optics Guidance. Last year, this technology was said to have potential as an anti-armor capability. Following the cancellation of DIVAD, it is now being put forward as an anti-helicopter capability. Last year, the Committee expressed great reservation about the anti-armor project, stating it "will provide no funds in future years without further concrete justification. That justification must include an independent evaluation of the probable costs, benefits and implications of fielding this technology, to include an analysis of the weapons and systems which will be eliminated if this technology is fielded, and a business plan which details the competitive development, under Army laboratory supervision, and the competitive procurement of this technology." Despite repeated inquiries, requests, reminders and exhortations to Army officials at all levels, the required justification has not been officially forwarded. The Committee finds this to be unacceptable, and denies funds for Fiber Optics Guidance.

The request included $16,675,000 for Hypervelocity Missile, although last year the Army projected that no fiscal year 1987 funds would be required. The Committee recommends $10,000,000 for Hypervelocity Missile, a sum nearly double the amount provided last year.

The request included $12,219,000 for Multirole Survivable Radar. Last year, the Committee expressed support for this project, and is informed that satisfactory progress is being made. The Committee directs that Multirole Survivable Radar be funded at the budgeted amount of $12,219,000.

The Committee recommends $26,206,000 for Missile and Rocket Components, a reduction of $11,675,000 from the budget request.

### COMBAT VEHICLE TURRET AND CHASSIS SUBSYSTEMS

The Army requested $18,895,000 for Combat Vehicle Turret and Chassis Subsystems. In recognition of fiscal restraints, the Committee recommends $14,205,000.

This program funds the testing of alternative designs of tank track, and analyses of new rubber compounds for use in the treads. The Army Materials and Mechanics Research Center recently began an evaluation of a unique non-urethane-based synthetic rubber compound. Compared with existing tread material, this compound has superior mechanical properties, and has the potential to improve significantly track durability and service life. The Committee directs that the evaluation of this compound be carried out expeditiously, and that $500,000 of the $14,205,000 provided for Combat Vehicle Turret and Chassis Subsystems be used solely to fund that evaluation.

## COMBAT VEHICLE ARMOR/ANTI-ARMOR

The Army requested $9,411,000 for Combat Vehicle Armor/Anti-Armor. It appears to the Committee that some of the work to be funded duplicates efforts being carried on in other programs. The Committee recommends $6,000,000 for Combat Vehicle Armor/Anti-Armor, a reduction of $3,411,000 from the budget request.

## SPECIAL PURPOSE DETECTORS

The Army requested $2,961,000 for Special Purpose Detectors, for a new start on advanced development of a ground surveillance radar. Fiscal constraints require that this new start be deferred. The Committee recommends no funds for Special Purpose Detectors.

## SURFACE-TO-SURFACE MISSILE ROCKET SYSTEM

The Army requested $42,681,000 for Surface-to-Surface Missile Rocket System. The entire amount is for continuing the development of a Terminal Guidance Warhead (TGW) to be carried by MLRS rockets. Army documentation shows that MLRS-carried SADARM will perform substantially the same function as TGW, but will cost less and be ready sooner. The severe fiscal constraints which must be faced, both now and for some years in the future, dictate that such duplication be avoided. The Committee recommends that no funds be provided for TGW, and that the program be cancelled.

The Committee is aware that TGW is a joint program with several allied nations. The necessity for cancellation is therefore all the more regrettable. The Committee suggests that the Army explore the possibility of having those nations participate in the SADARM program.

## WEAPONS AND AMMUNITION

The Army requested $173,000 for Weapons and Ammunition. To that amount, the House Armed Services Committee added $20,000,000 for development and test of a lightweight anti-armor munition launched from an unmodified M-16 rifle. If successful, this weapon could be of great operational utility to light and unconventional forces. The Committee recommends the authorized amount of $20,173,000 for Weapons and Ammunition, and directs the Army to execute this lightweight anti-armor munition program expeditiously. Because rapid execution is required, and because of the potential for use by light and unconventional forces, the program should be executed by the Army Development and Employment Activity, with technical participation by the Missile Command and the Armament Research and Development Center.

## ADVANCED ANTI-TANK WEAPON SYSTEM-MEDIUM

The Army requested $48,735,000 for AASW-M. The Committee recommends the budgeted amount, subject to authorization. The Committee continues to be concerned at the Army's failure to field a modern effective man-portable anti-tank weapon. The Committee directs that the AAWS–M competition be conducted with primary criteria to include operator survivability, insensitivity of the missile to counterfire directed at the operator, and life cycle cost including training rounds.

### LANDMINE WARFARE/BARRIER SYSTEMS

The Army requested $11,344,000 for Landmine Warfare/Barrier Systems, a program authorized at $21,344,000. The Committee recommends the authorized amount, of which $10,000,000 is for adapting Air Force ERAM technologies to Army applications.

### LETHAL CHEMICAL MUNITIONS CONCEPTS

The Army requested $25,307,000 for Lethal Chemical Munitions Concepts to develop a binary chemical warhead for the Multiple Launch Rocket System. Given the long delay in authorizing production of the 155mm binary projectile, a development which was completed many years ago, the Committee finds this additional development to be unjustified. The Committee recommends no funds for Lethal Chemical Munitions Concepts, a reduction of $25,307,000 from the budget request.

### LANDMINE AND BARRIER SYSTEMS

The Army requested $10,477,000 for Landmine and Barrier Systems. The request includes funds for a new start on demolition technology components and concepts which the Committee recommends be deferred. The Committee recommends $6,358,000 for Landmine and Barrier Systems, a reduction of $4,119,000 from the budget request.

The Army deleted from its FY 1987 request all funding for the Robotic Obstacle Breaching Assault Tank (ROBAT) program, and has no further funding identified for the program in FY 1986. Testimony has been heard by the Committee about the serious deficiency in countermine operations for U.S. land forces. The Committee directs that within available RDT&E funds $1,700,000 be used to complete testing and type classification of ROBAT. This work will be done under PE63619A, Landmine and Barrier Systems.

### ARTILLERY AND MORTAR AMMUNITION

The Committee concurs in the denial of authorization for project DK83, Fire and Forget Common Infrared Seeker. A stated purpose for this new start is to produce yet another "smart" 155-millimeter projectile. Having decided that it wishes to pursue full scale development of SADARM for 155-millimeter and MLRS applications, the Army is ill advised to spend money, time and talent on other solutions to the same problem. The Committee expects that further refinement of the Anti-Armor Master Plan will help in eliminating such duplications in the future.

The Committee recommends the authorized amount of $9,807,000 for Artillery and Mortar Ammunition, specifically deleting $7,403,000 for project DK83.

### ADVANCED ATTACK HELICOPTER

The Army requested $12,931,000 for development of optical improvements for the Advanced Attack Helicopter (AH-64). The development program for that aircraft has been in existence for fourteen years, and has cost $1.23 billion. The aircraft entered production in 1982. It is the opinion of the Committee that the time has come to call an end to AH-64 development. The Committee recommends no funds for Advanced Attack Helicopter, a reduction of $12,931,000 from the budget request. Any remaining tasks which the Army can justify should be financed with existing funds.

### MOBILITY

The Army requested $47,828,000 for Mobility, to obtain prototype medium and heavy trucks for development and operational testing. The Committee finds that the need to develop new trucks is questionable, absent firm documented requirements. Pending receipt of the results of the vehicle requirements study directed in the Procurement section of this report, development funds are premature. Accordingly, the Committee recommends no funds for Mobility, a reduction of $47,828,000 from the budget request.

### INFANTRY SUPPORT WEAPONS

The Army requested $26,044,000 for Infantry Support Weapons, for which the House Armed Services Committee provided an authorization of $21,044,000. The Committee recommends the authorized amount.

This program includes an "in-house" effort by the Army to develop improved ammunition for the 120mm mortar. Such a development effort is necessary only if commercial proposals for such ammunition, submitted as part of the source selection process for the 120mm mortar, fail to meet Army requirements. Pending evaluation of the commercial bids, any in-house development effort is clearly premature, and therefore the Committee directs that no funds may be used for this purpose without prior notification to, and approval by, the Committee.

### COUNTERMINES AND BARRIERS

The Army requested $9,728,000 for Countermines and Barriers. The VEMASID project funded in this program was to have entered full scale engineering development in fiscal year 1986. The Committee is advised that schedule delays prevented that transition, with the result that excess fiscal year 1986 funds are available to finance fiscal year 1987 activities. The Committee recommends $4,905,000 for Countermines and Barriers, a reduction of $4,823,000 from the budget request, offset by a transfer of $4,823,000 of fiscal year 1986 funds.

### FIELD ARTILLERY AMMUNITION

The Army requested $107,275,000 for Field Artillery Ammunition, of which $99,839,000 is for engineering development of SADARM.

Last year the Committee, and subsequently the Committee of Conference, expressed a number of concerns and reservations about the SADARM program. It appears that the Army has moved to address some of those points, although several remain.

The technical maturity of SADARM and readiness to enter full scale engineering development (ED) remain to be seen. The Committee iterates the direction of the Conference stated in House Report 99-450, page 240, that a program of well-instrumented gun firings of modified advanced development hardware be completed before the end of ED subsystem development and qualification, and that no funds be obligated or expended for materials required for the final phase of ED, system qualification in DT/OT II, until approved by the Committees on Appropriations of the House and Senate. Said modifications of ED hardware for testing should be the minimum necessary to simulate an ED configuration. Attempts to incorporate all known or proposed ED changes into this test hardware will delay unnecessarily the schedule for obtaining an adequate demonstration of proof of principle.

The eventual affordability of SADARM remains to be seen. In this regard, the Committee recognizes that commonality of parts for MLRS and 155mm submunitions is a sound method for obtaining lower costs. However, such commonality can be achieved only if the design efforts for the MLRS SADARM submunition and the 155mm projectile (submunition and thin-walled carrier) begin and run concurrently, and include a single set of requirements and design constraints for the common parts. Thus, the Committee directs that these designs efforts be started simultaneously and run concurrently.

Last year, the Committee of Conference stated its insistence that the program schedule be structured realistically, and observed the necessity of supporting "at least two competing prime contractors *through* (emphasis supplied) development and into production". It appears that Army's current plan, which envisions having two contractors, does not adequately address the foregoing points. Specifically, the planned down-select thirty months after the start of ED allows insufficient time to fully analyze the result of the Chicken Little tests and to refine algorithms before hardware commitments are made. Near the end of DT II/OT II testing, the Army will have a much better data base from which to judge which of the competing concepts should be moved forward into production. Since both contractors will have produced DT II/OT II SADARM hardware, the Army will have two experienced producers positioned to compete for leader and follower roles. Because these benefits, in terms of schedule risk and eventual lower costs, outweigh any associated with a thirty month down-select, the Committee repeats the Conference directive that the Army carry two developers through to the end of full scale engineering development.

A review of the pace of the program to date, the number and complexity of the tasks to be accomplished, and the history of similar programs, shows clearly that the currently planned total development schedule of 48 months is unrealistic. The Committee finds that a 60 month period will lower schedule risk and lead to more sound technical and financial decisions. A longer schedule should not be viewed as a possible justification for staggering the start of design efforts for MLRS and 155mm versions of SADARM; as stated above, those efforts are to be started simultaneously and run concurrently.

Last year, the Committee of Conference stated its recognition that its directives may add to the cost and duration of the development program. That continues to be the case. However, it also continues to be true that these increased costs are a prudent investment which will be recouped through lower procurement costs and lower technical and financial risks.

Because of delays in issuing the RFP, approximately half of the $36,000,000 provided for SADARM development for fiscal year 1986 will be available for carry over into fiscal year 1987. Accordingly, the Committee recommends $89,275,000 for Field Artillery Ammunition, of which $81,839,000 is for SADARM. Consistent with the Conference position on fiscal year 1986 funding for SADARM, the Committee directs that no fiscal year 1987 funds be obligated or expended for materials required for the final phase of ED, system qualification in DT/OT II, until approved by the Committees on Appropriations of the House and Senate.

## REMOTELY PILOTED VEHICLES

Consistent with its recommendation to provide partial funding for procurement of Aquila, the Committee recommends, subject to authorization, RDT&E funding of $60,000,000, a reduction of $31,880,000 from the budget request.

## INFRARED TERMINALLY GUIDED SUBMUNITION

The Army requested $27,114,000 for Infrared Terminally Guided Submunition. The Committee sees no justification for duplicating the capability being developed in the SADARM and other programs. The Committee recommends no funds for Infrared Terminally Guided Submunition. The Committee directs that the program be cancelled, and suggests that the Army examine the use of SADARM in the Tactical Missile System.

## EQUIPMENT UPGRADE

The Army requested $23,343,000 for Equipment Upgrade, a program for applying new technologies to increase the capabilities of existing weapons systems. The Committee is informed of impressive results in the recent past, and encourages further work in this area. The Committee recommends $43,343,000 for Equipment Upgrade, subject to authorization.

## ADVANCED FIELD ARTILLERY TACTICAL DATA SYSTEM

The Army requested $40,444,000 for Advanced Field Artillery Tactical Data System (AFATDS). The Committee is aware of serious problems in the AFATDS program which have existed for a prolonged period, and which appear far from being resolved. Both the status of AFATDS and the validity of its underlying assumptions must be addressed before more funds are made available. Accordingly, the Committee recommends no funds for AFATDS, a reduction of $40,444,000 from the budget request.

## MAPPING AND GEODESY

The Army requested $11,473,000 for the Mapping and Geodesy program. This program provides for the development of a generic automated survey device which would provide survey data for various weapon and weapon support systems. The bulk of the funds, $11,198,000 are for a new start referred to as the Field Army Mapping System. The Committee is basically supportive of the program, but considering the need for budgetary restraint the Committee recommends a reduction of $2,000,000 from the budget request.

## JOINT TACTICAL FUSION PROGRAM

The Joint Tactical Fusion Program (JTFP) is a joint Army/Air Force effort to develop and deploy an automated fusion system to link intelligence sensors, processors, analytic centers and tactical decision makers. The fiscal year 1987 request includes funds for initial procurement of ASAS (and FSIC Modules) and accelerated development of the objective JTFP system.

The Committee has been, and continues to be, very supportive of the need for an intelligence fusion capability. However, the Committee continues to be concerned about various aspects of the program including cost, complexity and technical risk.

In a recent classified report, the General Accounting Office has raised a number of issues regarding the Joint Tactical Fusion Program. These issues include less costly approaches to the program, operational effectiveness, and program instability. In the documents supporting the fiscal year 1988 budget submission, the Army should include detailed responses as to how the fiscal year 1988 budget request addresses these issues raised by the GAO. Of special concern is the issue of communications connectivity from both sensors to the JTFP systems and from the JTFP systems to the ultimate users of the fused information.

The Committee has reduced the fiscal year 1987 budget request for the Joint Tactical Fusion Program. Details of the Committee's funding recommendations and additional comments on the program are included in the classified annex to this report.

The JTFP program office should keep the Committee advised of the results of the upcoming field testing of the AIM and FSIC modules and the Committee should receive periodic updates of the software development of the objective JTFP system.

## PROGRAM-WIDE ACTIVITIES

### AMC MAJOR RANGES AND TEST FACILITIES

### REAL PROPERTY MAINTENANCE

### BASE OPERATIONS

Until this year, Army funded the administration, operation and maintenance of its laboratories and test ranges in two accounts. The total funding for fiscal year 1986, after Gramm-Rudman reductions, was $502,970,000. This year, the same functions are now funded in four accounts, budgeted for fiscal year 1987 at

$670,770,000, for a 33.4 percent increase. The Committee finds so large an increase to be unjustified, and recommends a real growth of 5 percent, over the adjusted fiscal year 1986 funding. A pro rata allocation of the resulting reduction is as follows:

[In thousands of dollars]

| Program | FY 1987 budget | Committee recommended | Change from budget |
|---|---|---|---|
| Program-wide Activities | $85,484 | $68,732 | −$16,752 |
| AMC Major Ranges and Test Facilities | 207,799 | 167,771 | −40,028 |
| Real Property Maintenance | 174,536 | 140,711 | −33,825 |
| Base Operations | 202,951 | 163,982 | −38,969 |
| Total | 670,770 | 541,196 | −129,574 |

### HELICOPTER AIR-TO-AIR MISSILE

Pursuant to authorization action, the Committee recommends $5,000,000 above the budget for Helicopter Air-to-Air Missile.

### STINGER SYSTEM SAFEGUARD

The House Armed Services Committee authorized $1,000,000 above the budget for Stinger System Safeguard. This initiative will adapt electronic circuit lockout technology for incorporation into the Stinger missile. This will provide the capability to render the weapon inoperable without entry of a predetermined code, and is therefore of great importance in addressing the threat of potential terrorist use of Stinger. The Committee recommends the addition of $1,000,000 above the budget for Stinger System Safeguard as authorized, and directs that the Army implement, on a highly expedited basis, a NDI program to adapt and incorporate electronic circuit lockout technology into the Stinger missile. This problem is of such great significance that the Committee urges the Department to identify funds to begin initial production, following a successful demonstration of adaptation and incorporation.

Stinger has been singled out as the first and most obvious example of a weapon which requires additional protection. There are many others. The Committee directs that simultaneously with implementing a program for Stinger, the Department study and report on the requirements, schedules and costs of applying electronic circuit lockout technology to weapons, radios, vehicles and other equipment.

### FIBER OPTICS GUIDED MISSILE

The House Armed Services Committee authorized, as a separate line item, $83,313,000 for the Fiber Optics Guided Missile in an air defense application. In this section of the report, under Missile Components and Rockets, the Committee stated its displeasure with the Army's failure to provide documentation and justification of FOG–M. The Committee recommends the authorized amount of $83,313,000, but directs that none of these funds be obligated or expended until the required documentation, directed in last year's report, has been submitted, and responded to, by the Committee. The Committee directs that the required documentation be submitted not later than December 31, 1986.

### PROTECTIVE MASKS

Acquisition of protective masks which meet requirements is a matter of high priority. The Department has advised the Committee that production problems with the new XM-40 have been resolved, and that a contract award by November 30, 1986 is planned for procurement of protective masks. Because competitive procurements should be made wherever possible, the Army should include the US-10 protective mask as a candidate in a competitive procurement.

### INDUSTRIAL PREPAREDNESS

The Army requested $29,105,000 for Industrial Preparedness. The Committee recommends the budgeted amount.

The Committee directs that within the funds provided, $6,000,000 be used for conducting a demonstration of modern casting technology in the production of selected artillery and mortar projectiles. The demonstration should be sufficiently comprehensive to validate the opportunity for reduced costs in volume production. Successful application of this technology could significantly lower funding levels for future ammunition procurements. Upon completion, program results will be reported to the Committee.

### CLASSIFIED PROGRAMS

The Committee recommends reductions of $207,955,000 in classified programs for reasons explained in the classified annex to this report, and in a classified letter to Secretary of Defense.

### PROGRAM SUMMARY

The following schedule shows the budget estimate, the recommended appropriation, and the change from the budget estimate for fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| RESEARCH DEVELOPMENT TEST + EVAL, ARMY | | | |
| TECHNOLOGY BASE | | | |
| IN-HOUSE LAB INDEPENDENT RESEARCH | 19,020 | 17,153 | -1,867 |
| DEFENSE RESEARCH SCIENCES | 212,594 | 193,682 | -18,912 |
| UNIVERSITY RESEARCH INITIATIVES | 12,380 | 12,380 | --- |
| MATERIALS | 16,346 | 14,215 | -2,131 |
| ATMOSPHERIC INVESTIGATIONS | 11,563 | 9,243 | -2,320 |
| NUCLEAR WEAPONS EFFECTS/FLUIDICS | 47,797 | 37,678 | -10,119 |
| AIRCRAFT WEAPONS TECHNOLOGY | 1,416 | 1,416 | --- |
| AIRCRAFT AVIONICS TECHNOLOGY | 11,102 | 10,812 | -290 |
| AERONAUTICAL TECHNOLOGY | 34,814 | 34,814 | --- |
| AIRDROP TECHNOLOGY | 2,900 | 1,720 | -1,180 |
| MISSILE TECHNOLOGY | 24,587 | 21,208 | -3,379 |
| LASER WEAPON TECHNOLOGY | 11,228 | 8,311 | -2,917 |
| TANK AND AUTOMOTIVE TECHNOLOGY | 25,711 | 21,591 | -4,120 |
| BALLISTICS TECHNOLOGY | 46,155 | 46,155 | --- |
| CHEMICAL AND SMOKE MUNITIONS | 23,228 | 20,004 | -3,224 |
| JOINT SERVICE SMALL ARMS PROGRAM | 11,119 | 10,617 | -502 |
| WEAPONS & MUNITIONS TECHNOLOGY | 28,663 | 23,663 | -5,000 |
| TACTICAL TELEPROCESSING TECHNOLOGY | 26,894 | 24,275 | -2,619 |
| COMBAT SURVEILL TARGET ACQUIS & IDENT | 7,766 | 7,766 | --- |
| MIL ENVIRONMENTAL CRITERIA DEV | 3,413 | 3,139 | -274 |
| ELECTRONICS AND ELECTRONIC DEVICES | 24,039 | 21,035 | -3,004 |
| CHEM BIOLOGICAL DEF / GEN INVEST | 39,656 | 39,656 | --- |
| MAPPING - GEODESY | 9,678 | 7,575 | -2,103 |
| NIGHT VISION INVESTIGATIONS | 28,056 | 28,056 | --- |
| HUMAN FACTORS ENG SYS DEV | 17,811 | 17,811 | --- |
| HUMAN PERFORMANCE EFFECT/SIMULATION | 13,113 | 13,113 | --- |
| MOBILITY AND WEAPONS EFFECTS TECH | 14,879 | 13,324 | -1,555 |
| ENVIRONMENTAL QUALITY TECH | 8,760 | 8,760 | --- |
| MANPOWER/PERSONNEL/TRAINING | 4,730 | 3,520 | -1,210 |
| CLOTHING EQUIP AND SHELTER TECH | 18,012 | 15,012 | -3,000 |
| JT SVC FOOD SYS TECH | 5,162 | 3,662 | -1,500 |
| COMPUTER AND INFORMATION SCIENCE | 2,574 | 2,144 | -430 |
| NON-SYSTEM TRAINING DEVICES | 4,397 | 4,397 | --- |
| COLD REGIONS ENGINEERING TECHNOLOGY | 4,308 | 3,227 | -1,081 |
| MILITARY FACILITIES ENGINEERING TECHNOLOGY | 5,764 | 5,215 | -549 |
| MOBILITY EQUIPMENT TECHNOLOGY | 15,914 | 15,506 | -408 |
| MED DEFENSE AGAINST CHEM AGENTS | 34,613 | 34,613 | --- |
| TACTICAL SOFTWARE TECHNOLOGY | 10,794 | 8,392 | -2,402 |
| MILITARY DISEASE HAZARDS TECH | 48,677 | 45,507 | -3,170 |
| COMBAT CASUALTY CARE TECH | 10,376 | 10,376 | --- |
| COMBAT MAXILLOFACIAL INJURY | 2,813 | 2,813 | --- |
| SYSTEMS HEALTH HAZARD PREVENT TECH | 22,223 | 22,223 | --- |
| ENERGY TECH APPL FOR MILITARY FACIL | 2,035 | 2,035 | --- |
| CLASSIFIED PROGRAMS | 18,837 | 18,837 | --- |
| TOTAL, TECHNOLOGY BASE | 945,917 | 866,651 | -79,266 |
| ADVANCE TECHNOLOGY DEVELOPMENT | | | |
| MATERIELS AND STRUCTURES | 20,154 | 18,054 | -2,100 |
| FUELS AND LUBRICANTS | 3,527 | 3,527 | --- |
| AIRCRAFT POWER PLANTS AND PROPULSION | 20,365 | 15,365 | -5,000 |
| AIRCRAFT WEAPONS | 10,349 | 6,549 | -3,800 |
| AIRCRAFT AVIONICS EQUIPMENT | 4,408 | 4,408 | --- |
| ROTARY WING CONTROLS/ROTORS/STRUCTURES | 23,560 | 16,960 | -6,600 |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| SYNTHETIC FLIGHT SIMULATOR DEVELOPMENT | 11,126 | 11,126 | --- |
| AIRDROP ADVANCEMENT | 4,547 | 3,726 | -821 |
| NOE AVIATION AND NAVIGATION EQUIPMENT | 2,370 | 2,370 | --- |
| OPERATIONAL ENHANCEMENTS | 2,637 | --- | -2,637 |
| TERMINALLY GUIDED PROJECTILES | 27,939 | --- | -27,939 |
| MSL/ROCKET COMPONENTS | 37,881 | 26,206 | -11,675 |
| BATTLEFIELD ENVIRONMENT SIMULATION | 7,083 | 4,083 | -3,000 |
| ARMY DEVELOPMENT AND EMPLOYMENT ACTIVITY | 11,411 | 9,772 | -1,639 |
| ADVANCED LAND MOB SYSTEMS CONCEPTS | 10,890 | 10,890 | --- |
| LANDMINE WARFARE/BARRIER DEV | 11,344 | 21,344 | +10,000 |
| JOINT SERVICE SMALL ARMS PROGRAM | 9,480 | 7,480 | -2,000 |
| COMBAT VEHICLE PROPULSION SYS | 9,766 | 9,766 | --- |
| CMBT VEH TURRET AND CHASSIS SUBSYS | 18,895 | 14,205 | -4,690 |
| COMBAT VEHICLE ARMOR/ANTI-ARMOR | 9,411 | 6,000 | -3,411 |
| ADV PROPULSION/LAUNCH SYS FOR MUN | 5,887 | 5,887 | --- |
| NUCLEAR VULNERABILITY ADV TECHNOLOGY | 6,614 | --- | -6,614 |
| AMMUNITION LOGISTICS | 2,170 | 1,500 | -670 |
| NIGHT VISION ADVANCED DEVELOPMENT | 29,080 | 26,692 | -2,388 |
| SPECIAL PURPOSE DETECTORS | 2,961 | --- | -2,961 |
| TACTICAL C4 TECHNOLOGY INTEGRATION | 13,335 | 13,335 | --- |
| SPACE TECHNOLOGY INTEGRATION | 987 | --- | -987 |
| MANPOWER AND PERSONNEL | 14,204 | 6,696 | -7,508 |
| ENGINEERING SYSTEMS | 5,393 | 5,393 | --- |
| HUMAN FACTORS ENGINEERING APPLICATIONS | 2,458 | --- | -2,458 |
| HUMAN FACTORS IN TNG/OPER EFFECT | 9,191 | 7,097 | -2,094 |
| ADV ELECTRONIC DEVICES DEV | 5,537 | --- | -5,537 |
| EDUCATION AND TRAINING | 7,033 | 7,033 | --- |
| TRAINING SIMULATION | 6,618 | 4,620 | -1,998 |
| TEST MEASUREMENT & DIAGNOSTIC EQUIPMENT DEVEL | 7,174 | 7,174 | --- |
| TECHNICAL VULNERABILITY REDUCTION | 3,300 | 3,300 | --- |
| ARMY BATTLEFIELD TECHNOLOGY INTEGRATION | 12,385 | 11,510 | -875 |
| CB DEF/SMK ADV TECHNOLOGY DEMONSTRATIONS | 7,484 | 2,984 | -4,500 |
| NONSYSTEMS MEDICAL MATERIAL DEVELOPMENT | 19,492 | 14,074 | -5,418 |
| MEDICAL CHEMICAL DEFENSE LIFE SUPPORT | 17,390 | 17,390 | --- |
| ADVANCED TACTICAL COMMUNICATIONS TECHNOLOGY | 1,461 | --- | -1,461 |
| ADV TACTICAL COMPUTER SCIENCE & TECHNOLOGY | 13,674 | 10,674 | -3,000 |
| BATTLEFIELD SUSTAINMENT | 3,342 | --- | -3,342 |
| CLASSIFIED PROGRAMS | 33,721 | 15,803 | -17,918 |
| TOTAL, ADVANCE TECHNOLOGY DEVELOPMENT | 488,034 | 352,993 | -135,041 |
| STRATEGIC PROGRAMS | | | |
| WORLDWIDE MILITARY CMD&CNT SYS INF SYS | 29,557 | 29,557 | --- |
| CLASSIFIED PROGRAMS | 249,430 | 194,610 | -54,820 |
| TOTAL, STRATEGIC PROGRAMS | 278,987 | 224,167 | -54,820 |
| TACTICAL PROGRAMS | | | |
| AIR MOBILITY SUPPORT | 10,848 | 7,848 | -3,000 |
| JOINT SURVIVABILITY INVESTIGATIONS | 735 | 735 | --- |
| ADVANCED ROTOCRAFT TECHNOLOGY INTEGRATION/LHX | 44,420 | 40,000 | -4,420 |
| AIRDROP EQUIPMENT SYSTEMS | 1,256 | 1,000 | -256 |
| ANTI-TACTICAL MISSILE SYSTEM | 38,635 | --- | -38,635 |
| SURF-TO-SURF MSL ROCKET SYS | 42,681 | --- | -42,681 |
| LIGHT WEIGHT AIR DEFENSE SYSTEM | 21,717 | --- | -21,717 |
| WEAPONS AND AMMUNITION | 173 | 20,173 | +20,000 |
| ADVANCED ANTI-TANK WEAPON SYSTEM (MEDIUM) | 48,735 | 48,735 | --- |

(IN THOUSANDS OF DOLLARS)

|  | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| LETHAL CHEMICAL MUNITIONS CONCEPTS | 25,307 | --- | -25,307 |
| LANDMINE/BARRIER SYS | 10,477 | 6,358 | -4,119 |
| SMOKE MUNITIONS AND MATERIEL CONCEPTS | 3,189 | 2,589 | -600 |
| ARTILLERY/MORTAR AMMO DEVELOPMENT | 17,210 | 9,807 | -7,403 |
| ELECTRIC POWER SOURCES | 8,017 | 5,017 | -3,000 |
| PHYSICAL SECURITY | 2,339 | 2,339 | --- |
| IDENTIFICATION-FRIEND OR FOE DEVELOPMENTS | 20,373 | 20,373 | --- |
| COMMUNICATIONS DEVELOPMENT | 2,673 | 2,673 | --- |
| AIRCRAFT SURVIVABILITY EQUIPMENT | 4,588 | --- | -4,588 |
| ARMY DATA DISTRIBUTION SYSTEM | 42,122 | 37,122 | -5,000 |
| ELECT WRFR VULNERABILITY/SUCEPTIBILITY | 16,912 | --- | -16,912 |
| CML BIO PROTECTIVE MATERIEL CONCEPTS | 8,045 | 8,045 | --- |
| REMOTELY PILOTED VEHICLES/DRONES | 4,917 | 4,917 | --- |
| COMBAT SUPPORT EQUIPMENT | 24,285 | 22,285 | -2,000 |
| COMBAT MEDICAL MATERIAL | 8,189 | 8,189 | --- |
| SHORT RANGE AIR DEFENSE COMMAND AND CONTROL | 16,189 | --- | -16,189 |
| SOLDIER SUPPORT/SURVIVABILITY | 4,722 | 4,392 | -330 |
| DRUG AND VACCINE DEVELOPMENT | 17,077 | 17,077 | --- |
| MEDICAL DEFENSE AGAINST CHEM WARFARE | 26,449 | 26,449 | --- |
| AIR DEFENSE ALTERNATIVES | 103,944 | --- | -103,944 |
| COMBAT SERVICE SUPPORT CONTROL SYS | 4,608 | 1,000 | -3,608 |
| NIGHT VISION SYSTEMS ADVANCED DEVELOPMENT | 3,307 | 3,307 | --- |
| AIR MOBILITY SUPPORT EQUIPMENT | 4,418 | 2,506 | -1,912 |
| ADVANCED ATTACK HELICOPTER | 12,931 | --- | -12,931 |
| AIRCRAFT PROPULSION SYSTEMS | 111,301 | 106,301 | -5,000 |
| SYNTHETIC FLIGHT TRAINING SYSTEMS | 10,680 | 10,680 | --- |
| AIRDROP EQUIP DEVELOPMENT | 3,281 | 3,281 | --- |
| STINGER | 6,252 | 6,252 | --- |
| GRASS BLADE | 6,698 | --- | -6,698 |
| JOINT TACTICAL MISSILE SYSTEM-ARMY (JTACMS-A) | 88,197 | 88,197 | --- |
| INFANTRY SUPPORT WEAPONS | 26,044 | 21,044 | -5,000 |
| MOBILITY | 47,828 | --- | -47,828 |
| SMOKE MUNITIONS & MATERIEL | 7,892 | 7,892 | --- |
| COUNTERMINE AND BARRIERS | 9,728 | 4,905 | -4,823 |
| COUNTERMINE AND BARRIERS (BY TRANSFER) | --- | (4,823) | (+4,823) |
| LANDMINE WARFARE | 16,755 | 9,876 | -6,879 |
| M1A1 DEVELOPMENT PROGRAM | 3,798 | 3,798 | --- |
| FIELD ARTILLERY AMMUNITION | 107,275 | 89,275 | -18,000 |
| FIELD ARTILLERY AMMUNITION (BY TRANSFER) | --- | (18,000) | (+18,000) |
| COMM ENGINEERING DEV | 6,473 | 5,473 | -1,000 |
| MODULAR INTEGRATED COMM AND NAVIGATION SYS | 8,224 | --- | -8,224 |
| IDENTIFICATION FRIEND OR FOE EQUIPMENT DEV | 9,871 | --- | -9,871 |
| NIGHT VISION DEVICES | 21,944 | 10,944 | -11,000 |
| AIRCRAFT SURVIVABILITY EQUIPMENT | 19,934 | 19,934 | --- |
| ARMY COMMAND AND CONTROL SYSTEMS ENGINEERING | 6,113 | 6,113 | --- |
| COMBAT FEEDING, CLOTHING AND EQUIPMENT | 4,363 | 3,423 | -940 |
| TACTICAL ELECTRICAL POWER SOURCES | 6,449 | 6,449 | --- |
| GENERAL COMBAT SUPPORT | 11,538 | 11,538 | --- |
| PHYSICAL SECURITY | 1,216 | 7,216 | +6,000 |
| EDUCATION AND TRAINING | 4,378 | 4,378 | --- |
| SPECIAL PURPOSE DETECTORS | 1,181 | 1,181 | --- |
| CML/BIO DETECTION WARNING & TRAINING MATERIEL | 31,427 | 31,427 | --- |
| CHEM BIO PROTECTIVE MATERIEL | 10,550 | 3,000 | -7,550 |
| COMMAND AND CONTROL | 548 | 548 | --- |
| REMOTELY PILOTED VEHICLES | 91,880 | 60,000 | -31,880 |
| INFRARED TERMINALLY GUIDED SUBMUNITION | 27,114 | --- | -27,114 |
| DIVISION AIR DEFENSE COMMAND AND CONTROL | 82,065 | 30,000 | -52,065 |
| AUTOMATIC TEST EQUIPMENT DEVELOPMENT | 12,325 | 12,325 | --- |
| SINGLE CHAN GND & ABN RADIO SYS (SINCGARS) ED | 13,922 | 13,922 | --- |
| MEDICAL CHEMICAL DEFENSE LIFE SPT MAT | 9,204 | 9,204 | --- |
| DRUG AND VACCINE DEVELOPMENT | 10,563 | 10,563 | --- |

(IN THOUSANDS OF DOLLARS)

|  | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM......... | 27,882 | 27,882 | --- |
| JT INTEROP OF TAC CMD & CONT SYS (JINTACCS)........... | 7,719 | 7,719 | --- |
| JT CB POINT OF CONTACT, TEST AND ASSESSMENT........... | 6,249 | 6,249 | --- |
| HV ANTI-TANK ASSAULT WPN SYS (TOW).................... | 12,468 | 5,000 | -7,468 |
| ADV FIELD ARTILLERY TACTICAL DATA SYSTEM.............. | 40,444 | --- | -40,444 |
| CHAPARRAL............................................. | 5,627 | 5,627 | --- |
| SAM HAWK/HAWK IMP PROG................................ | 10,633 | 10,633 | --- |
| COMBAT VEHICLE IMPROVEMENT PROGRAM.................... | 79,203 | 50,000 | -29,203 |
| AN/TSQ-73 MODIFICATIONS............................... | 9,671 | 9,671 | --- |
| MANEUVER CONTROL SYSTEM............................... | 9,401 | 9,401 | --- |
| 155MM................................................. | 35,726 | 35,726 | --- |
| EQUIPMENT UPGRADE..................................... | 23,343 | 43,343 | +20,000 |
| PATRIOT PRODUCT IMPROVEMENT PROGRAM................... | 40,221 | --- | -40,221 |
| HELLFIRE PRODUCT IMPROVEMENT PROGRAM.................. | 11,947 | 5,000 | -6,947 |
| SPECIAL OPERATIONS FORCES (SOF) EQUIPMENT............. | 31,242 | 31,242 | --- |
| AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM......... | 14,592 | 13,592 | -1,000 |
| JOINT TACTICAL COMMO PROGRAM (TRITAC)................. | 17,401 | 15,401 | -2,000 |
| EUCOM C3 SYSTEMS...................................... | 1,078 | 1,078 | --- |
| CLASSIFIED PROGRAMS................................... | 616,824 | 481,607 | -135,217 |
| TOTAL, TACTICAL PROGRAMS............................ | 2,440,170 | 1,661,246 | -778,924 |
| INTELLIGENCE & COMMUNICATIONS |  |  |  |
| LONG-HAUL COMMUNICATIONS (DCS)........................ | 2,684 | 2,684 | --- |
| SATCOM GROUND ENVIRONMENT............................. | 94,478 | 79,478 | -15,000 |
| COMMUNICATIONS SECURITY (COMSEC)...................... | 7,280 | 7,280 | --- |
| AIRCRAFT AVIONICS..................................... | 2,493 | 2,493 | --- |
| MAPPING AND GEODESY................................... | 11,473 | 9,473 | -2,000 |
| NAVSTAR GLOBAL POS SYS (USER EQ)...................... | 4,719 | 4,719 | --- |
| CLASSIFIED PROGRAMS................................... | 7,293 | 7,293 | --- |
| TOTAL, INTELLIGENCE & COMMUNICATIONS................ | 130,420 | 113,420 | -17,000 |
| DEFENSEWIDE MISSION SUPPORT |  |  |  |
| TARGET MISSILES....................................... | 9,731 | 7,731 | -2,000 |
| NONSYSTEMS TRAINING DEVICES (NSTD) DEV................ | 3,869 | 3,869 | --- |
| NATO RESEARCH AND DEVELOPMENT......................... | 49,356 | --- | -49,356 |
| NON-SYSTEM TNG DEVICES ENGR........................... | 46,260 | 43,260 | -3,000 |
| METEOROLOGICAL EQUIPMENT AND SYSTEMS.................. | 1,207 | 1,207 | --- |
| AVIATION ENGINEERING FLIGHT ACTIVITY.................. | 13,217 | 12,217 | -1,000 |
| KWAJALEIN MISSILE RANGE............................... | 163,470 | 148,605 | -14,865 |
| SUPPORT OF DEVELOPMENT TESTING........................ | 50,444 | 47,194 | -3,250 |
| MATERIEL SYSTEMS ANALYSIS............................. | 16,966 | 15,966 | -1,000 |
| EXPLOITATION OF FOREIGN ITEMS......................... | 3,984 | 3,984 | --- |
| SUPPORT OF OPERATIONAL TESTING........................ | 55,745 | 55,745 | --- |
| THREAT SIMULATORS FOR TESTING......................... | 34,279 | 34,279 | --- |
| NUCLEAR SURVIVABILITY TESTING & ANALYSIS.............. | 3,950 | --- | -3,950 |
| PROGRAM-WIDE ACTIVITIES............................... | 85,484 | 68,732 | -16,752 |
| INTL COOPERATIVE RESEARCH AND DEV..................... | 977 | --- | -977 |
| TECHNICAL INFO ACTIVITIES............................. | 6,772 | 6,772 | --- |
| AMC MAJOR RANGES AND TEST FACILITIES.................. | 207,799 | 167,771 | -40,028 |
| MUNITIONS STANDARDZION EFFECTIVENESS & SAFETY......... | 11,610 | 10,610 | -1,000 |
| DOD HIGH ENERGY LASER SYSTEMS TEST FAC................ | 20,729 | 20,729 | --- |
| RDTE SUPPORT FOR NON-DEVELOPMENTAL ITEMS.............. | 9,194 | 9,194 | --- |
| PRODUCTIVITY INVESTMENTS.............................. | 53,893 | 43,893 | -10,000 |
| REAL PROPERTY MAINTENANCE (RDT&E)..................... | 174,536 | 140,711 | -33,825 |
| BASE OPERATIONS (RDT&E)............................... | 202,951 | 163,982 | -38,969 |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| MGT HQ (RESEARCH/DEVELOPMENT) | 11,244 | 11,244 | --- |
| INDUSTRIAL PREPAREDNESS | 29,105 | 29,105 | --- |
| TOTAL, DEFENSEWIDE MISSION SUPPORT | 1,266,772 | 1,046,800 | -219,972 |
| CONVENTIONAL DEFENSE INITIATIVES | | | |
| COMBAT VEHICLE DIESEL ENGINE | --- | 9,000 | +9,000 |
| GUARD/RESERVE UNIQUE R&D | --- | 5,000 | +5,000 |
| LIGHT ARMORED VEHICLE/WEASEL EVALUATION | --- | 10,000 | +10,000 |
| MINE FLAIL WHEELED VEHICLE | --- | 10,000 | +10,000 |
| GROUND LAUNCHED HELLFIRE | --- | 2,000 | +2,000 |
| STINGER SYSTEM SAFEGUARD | --- | 1,000 | +1,000 |
| NATO COOPERATIVE R&D | --- | 31,000 | +31,000 |
| TACTICAL RPV EVALUATION | --- | 10,000 | +10,000 |
| FIBER OPTICS GUIDED MISSILES | --- | 83,313 | +83,313 |
| QUIET GENERATORS | --- | 5,000 | +5,000 |
| HELICOPTER AIR TO AIR MISSILE | --- | 5,000 | +5,000 |
| CLOSE IN AIR DEFENSE | --- | 10,000 | +10,000 |
| MILAN II EVALUATION | --- | 20,000 | +20,000 |
| TOTAL, CONVENTIONAL DEFENSE INITIATIVES | --- | 201,313 | +201,313 |
| COOPERATIVE DOD/VA MEDICAL RESEARCH | --- | 10,000 | +10,000 |
| GENERAL REDUCTION | --- | -40,000 | -40,000 |
| PRIOR YEAR FUEL SAVINGS | --- | -830 | -830 |
| FY 87 FUEL SAVINGS | --- | -9,100 | -9,100 |
| TOTAL, RESEARCH DEVELOPMENT TEST + EVAL, ARMY | 5,550,300 | 4,426,660 | -1,123,640 |
| TRANSFER FROM OTHER ACCOUNTS | --- | (22,823) | (+22,823) |
| TOTAL FUNDING AVAILABLE | 5,550,300 | 4,449,483 | -1,100,817 |

## RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

| | |
|---|---|
| Appropriations, 1986 | $10,065,239,000 |
| Adjusted Base, 1986 | 9,572,042,000 |
| New Obligational Authority, 1987: | |
| Estimate | 10,586,800,000 |
| Recommended | 8,640,727,000 |
| Decrease | 1,946,073,000 |
| Total Recommended in the Bill | [1] 8,669,777,000 |

[1] Includes $8,640,727,000 in new obligational authority and in addition $29,050,000 in prior year unobligated balances to be derived by transfer from "Research, Development, Test and Evaluation, Navy, 1986/1987."

This appropriation funds the Research, Development, Test and Evaluation activities of the Navy and Marine Corps.

### AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with authorization action:

($000)

|  | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---:|---:|---:|
| RESEARCH DEVELOPMENT TEST + EVAL. NAVY |  |  |  |
| AAW/ASUW TECHNOLOGY | 75,244 | 60,000 | -15,244 |
| ELECTRONIC WARFARE TECHNOLOGY | 13,946 | --- | -13,946 |
| SURFACE SHIP TECHNOLOGY | 13,515 | --- | -13,515 |
| AIRCRAFT TECHNOLOGY | 21,111 | 20,000 | -1,111 |
| ASW TECHNOLOGY | 90,060 | 80,000 | -10,060 |
| NUCLEAR PROPULSION | 43,876 | 33,000 | -10,876 |
| ADV A/C SUB SYSTEMS | 7,944 | 5,978 | -1,966 |
| ERASE SYS TECH | 6,486 | 8,986 | +2,500 |
| SHIP PROPULSION SYSTEM | 22,474 | --- | -22,474 |
| GENERIC LOGISTICS R&D TECH DEMO | 21,236 | 10,000 | -11,236 |
| NAVY LOGISTICS PRODUCTIVITY | 934 | --- | -934 |
| SATELLITE LASER COMM | 5,875 | 35,875 | +30,000 |
| TRIDENT II | 1,632,866 | 1,500,000 | -132,866 |
| FLT BALLSTC MIS SYS | 40,222 | 25,000 | -15,222 |
| TRIDENT | 51,783 | 41,000 | -10,783 |
| EXTRME LOW FREQ COMM | 18,296 | 8,000 | -10,296 |
| WIS MODERNIZATION | 21,610 | 7,177 | -14,433 |
| ELECT W/F ADV: DEV | 39,294 | --- | -39,294 |
| AIRCRAFT SYSTEMS | 5,547 | --- | -5,547 |
| AIR ASW | 9,131 | 5,631 | -3,500 |
| A-6F | 143,256 | 130,000 | -13,256 |
| TAC AIR RECONN | 18,042 | 14,042 | -4,000 |
| NAVAL AIRSHIP | 9,834 | --- | -9,834 |
| IRR MAVERICK | 245 | --- | -245 |
| ADV AIR-AIR SURF-AIR MSL | 79,728 | --- | -79,728 |
| LOW COST ANTI-RADIATION SEEKER | 14,704 | 39,704 | +25,000 |
| BGAAWC | 13,746 | 7,000 | -6,746 |
| SURFACE MCM | 22,678 | 17,678 | -5,000 |
| LINK DOGWOOD | 3,931 | 1,000 | -2,931 |
| SURFACE ASW | 23,168 | 11,584 | -11,584 |
| SHIP DEVELOPMENT | 21,606 | 14,000 | -7,606 |
| SURFACE SHIP NAVSYS | 6,675 | --- | -6,675 |
| ATTACK SUBMARINE DEV | 3,931 | --- | -3,931 |
| COMBAT SYS INTEGRATION | 24,051 | --- | -24,051 |
| JOINT ADVANCED SYSTEMS | 78,680 | --- | -78,680 |
| ALWT (ADV) | 7,434 | --- | -7,434 |
| MC GRD COMBAT/SPT SYS | 18,249 | 15,249 | -3,000 |
| COMMAND AND CONTROL SYS | 36,525 | 31,525 | -5,000 |
| MERSHIP NAV AUX PROG | 6,014 | 3,014 | -3,000 |
| LINK LAUREL | 47,088 | 5,488 | -41,600 |
| LINK SPRUCE | 94,272 | --- | -94,272 |
| STANDARD AVIONICS DEVELOPMENT | 19,432 | 2,740 | -16,692 |
| AV-8B AIRCRAFT (ENG) | 48,639 | 64,639 | +16,000 |
| P-3 MODERNIZATION PROG | 96,877 | 77,210 | -19,667 |
| ABN EW ENG | 55,973 | --- | -55,973 |
| ASPJ | 19,947 | --- | -19,947 |
| EW SIMULATOR DEVELOPMENT | 51,896 | --- | -51,896 |
| C/MH-53E | 3,464 | 1,611 | -1,853 |

($000)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| V-22 | 386,871 | 340,000 | -46,871 |
| ACFT ENGINE COMPNT IMP | 65,183 | 60,000 | -5,183 |
| GENERAL REDUCTION | --- | -7,808 | -7,808 |
| NATO SEA SPARROW | 7,745 | --- | -7,745 |
| SM-2 (N) | 9,229 | --- | -9,229 |
| 5 IN. ROLLING AIR FRM MSLE | 24,210 | --- | -24,210 |
| SUBMARINE COMMUNICATIONS | 25,979 | 7,377 | -18,602 |
| EMSP | 100,345 | 96,345 | -4,000 |
| SUB SPT EQUIP PROG | 32,265 | 17,265 | -15,000 |
| SHIPBD ELEC WARFR IMPRV | 51,932 | --- | -51,932 |
| STD EMBEDDED COMPUTER RSRCS | 32,469 | --- | -32,469 |
| NAVAL GUNNERY IMPROVEMENT | 17,428 | 12,000 | -5,428 |
| SAL GP/EO SENS DEV | 21,156 | --- | -21,156 |
| INITIAL TRAINERS ACQUISITION | 84,621 | --- | -84,621 |
| SURF ASW SYS IMP | 36,860 | 18,430 | -18,430 |
| F/A-18 SQUADRONS | 59,093 | 35,000 | -24,093 |
| FLEET TCC (TAC) | 63,733 | 44,898 | -18,835 |
| EW READINESS SUPPORT | 4,421 | --- | -4,421 |
| COUNTER C3 DEV | 23,952 | --- | -23,952 |
| HARM IMPROVEMENTS | 3,931 | --- | -3,931 |
| TACTICAL INFO SYS | 48,071 | 15,000 | -33,071 |
| ASW CMBT SYS INTEGRATION | 17,409 | 10,000 | -7,409 |
| ACFT EQ RELIABLTY/MAINT PROG | 8,846 | 2,057 | -6,789 |
| F-14 UPGRADE | 268,421 | 240,000 | -28,421 |
| EW COUNTER RESPONSE | 69,708 | --- | -69,708 |
| MC INTEL/ELEC WAR SYS | 24,822 | 18,822 | -6,000 |
| MC CMD/CNTL/COMM SYS | 39,925 | 26,169 | -13,756 |
| NATO COOPERATIVE | 49,091 | --- | -49,091 |
| TARGET SYS DEV | 111,690 | 90,000 | -21,690 |
| RDTE LAB/FAC MGT SPT | 54,974 | 50,000 | -4,974 |
| DEF METEOR SATEL PROG | 49,040 | 39,040 | -10,000 |
| NATO COOPERATIVE | --- | 30,000 | +30,000 |
| SMALL ROTARY ENGINE, RPV | --- | 1,000 | +1,000 |
| INTEGRATED PLATFORM COMM DEVEL | --- | 69,021 | +69,021 |
| PRIOR YEAR FUEL SAVINGS | --- | -72 | -72 |
| FY 87 FUEL SAVINGS | --- | -800 | -800 |
| COOPERATIVE DOD/VA MEDICAL RESEARCH | --- | 10,000 | +10,000 |
| FLOATING BEAM AVIONICS RACK | --- | 10,000 | +10,000 |
| V-22 ENGINE TECH | --- | 40,000 | +40,000 |

## COMMITTEE RECOMMENDATIONS

### PROGRAM FUNDING ADJUSTMENTS

The budget request included amounts for some programs which exceeded by unjustifiably large margins the amounts provided for fiscal year 1986. The Committee accordingly recommends the following reductions:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from budget |
|---|---|---|---|
| Defense Research Sciences | $349,853 | $340,241 | −$9,612 |
| Marine Corps Air-Ground Tech | 17,628 | 15,081 | −2,547 |
| Human Factors Engineering | 3,964 | 2,000 | −1,964 |
| Medical Development | 16,700 | 10,535 | −6,165 |
| Manpower and Personnel Systems | 6,658 | 2,600 | −4,058 |
| SSBN Security Technology | 54,739 | 50,000 | −4,739 |
| Air-Ocean Tactical Applications | 7,522 | 6,550 | −972 |
| Airborne Life Support Systems | 4,377 | 4,100 | −277 |
| Aircraft Surviv and Vulnerability | 19,054 | 15,000 | −4,054 |
| Conventional Munitions | 40,882 | 35,000 | −5,882 |
| Ocean Eng Tech Development | 16,373 | 14,224 | −2,149 |
| NCCS SE&I | 12,599 | 6,300 | −6,299 |
| EM Spectrum Control | 5,873 | 2,937 | −2,936 |
| Management and Tech Support | 14,296 | 8,400 | −5,896 |

[In thousands of dollars]

| | Budget request | Committee recommended | Change from budget |
|---|---|---|---|
| Pers Train/Simulation/Human Factors | 6,823 | 3,575 | -3,248 |
| Studies & Analysis Support-Navy | 8,031 | 3,785 | -4,246 |

In addition, the budget request included amounts for some programs which exceeded by unjustifiably large amounts, or for inadequately justified new projects, the fiscal year 1987 amounts forecast in the fiscal year 1986 budget. The Committee accordingly recommends the following reductions:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from budget |
|---|---|---|---|
| Tactical Space Operations | $22,506 | $16,000 | -$6.506 |
| CV IZ ASW Helo | 8,062 | 2,800 | -5,262 |
| A-6 Squadrons | 13,820 | 4,077 | -9,743 |

## UNPRICED CONTRACTS

The increasing use of unpriced contracts is of concern to the DoD and to this Committee because there is less incentive for cost control as well as a history of excess appropriation and obligation of funds when contracts remain unpriced (undefinitized) for a long period of time. For example, in a December 1985 Naval Audit Service review, $63,000,000 (34 percent) of the audit sample remained unpriced even after the work was 80 to 100 percent complete. The auditors concluded that the contractor's profit margin may have been too high, and that cost control was diminished.

Unpriced orders, most commonly in the form of letter contracts, are frequently used in research and development programs. The Navy uses letter contracts for RDT&E work to a far greater extent than the other services: Navy has obligated $1.4 *billion* in existing RDT&E letter contracts; comparable figures for the Army and Air Force are $28,000,000 and $66,000,000, respectively. The Committee notes that several programs which the Navy has claimed are under *fixed* price contracts, and which were therefore exempted from Gramm-Rudman-Hollings reductions, are in fact being conducted under *unpriced* letter contracts, and that most of these contracts remained unpriced far in excess of the maximum 180 days allowed under current regulations. Although the Navy stated in testimony this year that "you would completely disrupt the whole structure if you started to cut fixed-price contracts," definitization of two such contracts in June 1986 resulted in contract savings which are now available for other uses. In these two cases, the Navy protected *excess* funds from Gramm-Rudman-Hollings reductions due to the delay in contract definitization.

The Committee is concerned about this issue, and directs the Navy to expeditiously definitize these contracts. The Navy is also to develop and submit to the Committee by April 1, 1987 a Plan of Action and Milestones for the overall reduction of unpriced orders executed with RDT&E funds.

## ANTI-SUBMARINE WARFARE PROGRAM MANAGEMENT

### ASW MASTER PLAN AND INVESTMENT STRATEGY

The Navy has requested $1,982,200,000 for Anti-Submarine Warfare (ASW) RDT&E activities in fiscal year 1987. This figure has doubled in only 6 years. Despite these large and continuing increases, however, the Navy testified this year that they had not yet identified their ASW priorities, and that the Navy is "still coming to grips with the investment strategy" for ASW.

The Committee finds this situation totally unacceptable. ASW is unquestionably one of the Navy's most vital missions. It is therefore *essential* that investment in this area be focused on high priority areas, and that these priorities be explained in detail to the Congress. The Committee therefore directs the Navy to develop and submit to the Committee, by April 1, 1987, a detailed ASW Master Plan and Investment Strategy. This plan should form the basis for the fiscal year 1988 budget request, and it is the Committee's intent that this plan be updated annually. The plan must address acquisition plans, costs, and schedules for air, surface, and subsurface ASW programs for both RDT&E and procurement, and must include an annex for special access programs.

### ASW TEST AND EVALUATION CAPABILITY

The Committee continues to be concerned over the Navy's ASW test and evaluation capability. A recent GAO report highlighted serious deficiencies in this area, and the Committee encourages the Navy to implement the recommendations of that report. To that same end, the Committee has recommended full funding in fiscal year 1987 for the FASTMATT target and Atlantic Undersea Test and Evaluation Center (AUTEC) Range improvement and modernization projects. The Committee also believes the Navy should complete its Plan of Action and Milestones for implementing recommendations made in the Underwater Range Requirements Study in time for this data to be used in the January 1988 AUTEC lease review.

### STAFFING LEVELS AT SUBMARINE COMBAT SYSTEMS PROGRAM OFFICES

In December 1985, the Secretary of Defense wrote the Committee that certain fiscal year 1986 reductions pending in the appropriations process would delay submarine deliveries and lead to increased program costs. Based on these concerns, most of that funding was restored in the appropriations conference.

Considering the stated high priority for these programs, the Committee was disturbed to receive testimony this year that "a ceiling cut directed by higher authority resulted in a reduction in the ceiling (civilian) resources applied to SSN combat systems development, from a high of approximately 75 in September 1985 to 58 in April 1986." To date, two-thirds of the planned civilian positions in the SUBACS and FY 1989 Combat System program offices remain unfilled, including critical positions in the area of budgeting, financial management, and ILS planning. The Navy is expected in the future to provide staff resources for these offices which are more consistent with DoD's stated priority for these programs.

### LOW PRIORITY PROGRAMS

The fiscal year 1987 budget includes some minor programs in the Navy RDT&E account which have been funded for several years with very little payoff. The Committee believes that in the current fiscal climate, such low priority, low payoff programs are no longer affordable.

In addition, much of this work resembles activities being conducted by other services and the defense agencies. Therefore, the impact of these reductions should be minor. The Committee's recommendations are as follows:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from budget |
|---|---|---|---|
| Radiological Control | $2,592 | | -$2.592 |
| Container Offload/Handling | 5,602 | | -5,602 |

### ACCOUNTING CHANGES

The Navy requested a change in appropriations account for the following two programs in fiscal year 1987: (1) Ship Contract Design, historically funded in the RDT&E account, but budgeted for fiscal year 1987 in the Shipbuilding and Conversion, Navy (SCN) account; and (2) Initial Trainers Acquisition, historically funded in the Aircraft Procurement, Navy (APN) account but budgeted for fiscal year 1987 in the RDT&E account. The Committee denies these changes, and directs that Ship Contract Design remain in the RDT&E account and Initial Trainers Acquisition remain in the APN account. The recommended reduction of $3,980,000 in Ship Contract Design results in the funding level forecast for fiscal year 1987 in the fiscal year 1986 budget.

### HYPERSONIC WIDE AREA DEFENSE MISSILE

The Navy requested $16,325,000 to continue development of the Hypersonic Wide Area Defense Missile (HYWADM) in fiscal year 1987. The Committee denies any funding for this project, and instructs the Navy to consider the utilization of DARPA's Long-Range Air Interceptor Experiment (LORAINE) to meet this requirement. The LORAINE program appears to meet the Navy's stated requirement for a hypersonic wide area defense missile as well as certain Air Force requirements. Pursuit of a single joint program building upon LORAINE technology appears to be more cost-effective than the continuation of separate efforts by each of the services and DARPA.

### RACER

The Navy requested $7,474,000 to continue development of the Rankine Cycle Energy Recovery (RACER) system in fiscal year 1987. However, subsequent to submission of the budget, the RACER project was terminated by the Navy. Authorization action deleted all proposed fiscal year 1987 funding for Ship Propulsion System, which includes RACER, and added $20,000,000 in a new budget line to continue RACER development.

The Committee is advised that $11,800,000 in fiscal year 1986 funding for RACER remains unobligated. The Navy has announced its intent to reprogram those funds to other uses. The Committee believes that the RACER program should be continued, and recommends $20,000,000, offset in part by transfer of $11,800,000 of unobligated 1986 funding.

### SUBMARINE HULL ARRAY DEVELOPMENT

The Navy requested $8,891,000 for Submarine Hull Array Development (Advanced) in fiscal year 1987. The Committee approves the budget request, and directs the Navy to apply no less than $5,000,000 of these funds to the Advanced Conformal Submarine Acoustic Sensor (ACSAS) project. The Committee believes the Navy should provide adequate resources to enable ACSAS to be considered for incorporation into the second flight of the SSN-21 class. If Navy plans, as reflected in the fiscal year 1988 budget, do not include ACSAS for the SSN-21 class, the Committee will give serious consideration to terminating ACSAS at that time.

### NAVAL SPACE SURVEILLANCE SYSTEM

As addressed in the Other Procurement, Navy section of this report, the Committee is recommending a reduction of $663,000 in Naval Space Surveillance System.

### NAVY SPACE SYSTEMS ACTIVITY, LOS ANGELES

The Navy is requesting $284,000 within the C$^2$ Surveillance Reconnaissance Support line item for a new support office located in Los Angeles for Navy space programs. The Committee believes that current support arrangements for Navy space programs located on the West Coast are adequate and is therefore denying this requested amount.

### NAVY STRATEGIC COMMUNICATIONS

The Navy requested $143,282,000 for Navy Strategic Communications in fiscal year 1987. The Committee recommends $84,654,000, and an additional $13,778,000 to be derived by prior year transfer. The Committee directs that, of the funding available, $76,609,000 be allocated to Project W1438, E-6A, and the remaining $21,823,000 be allocated to Project X1083, Ship-to-Shore Communications. The Committee specifically denies any funding for the Strategic Survivable and Enduring Communications (STRATSEC) project in fiscal year 1987 because the Navy reprogrammed fiscal year 1986

STRATSEC funding, in clear violation of direction provided by the appropriations conference for fiscal year 1986.

### T-45 TRAINING SYSTEM

The Navy has requested $134,163,000 to continue full-scale development (FSD) of the T-45 Training System in fiscal year 1987. The Committee recommends $115,163,000, which is a reduction of $19,000,000. The reduction is based upon evidence of excessive pricing in certain elements of the FSD prime contract, as well as the fact that budgeted costs significantly exceed the Navy's cost cap for this program.

Furthermore, the Committee criticizes the Navy for its execution of the T-45 prime contract. The Navy allowed this contract to remain undefinitized for eighteen months, which is far in excess of applicable regulations. When the contract negotiations were finally completed in May 1986, the Navy agreed to fund the program at the ceiling price. The Committee believes that the final negotiated price for a program should be lower than the *ceiling* price. In testimony before the Committee last year, the Navy stated that "during definitization, every effort will be made to negotiate a lower price for the entire development program." This lower price was not forthcoming. The Committee's review of pricing in the T-45 program indicates that some savings *can* be realized. The Navy is expected to take necessary steps to obtain these savings.

### AIRBORNE LIFE SUPPORT SYSTEMS

The Committee recommends $4,100,000 for Airborne Life Support Systems, a reduction of $277,000. Of the recommended amount, $3,000,000 is available only for Project M0097, Aircrew Impact Injury Prevention. Last year, the Congress directed that $2,350,000 be allocated to this project for fiscal year 1986. Since the Navy did not obey that direction, the Committee has included bill language to ensure that Congressional direction is followed for fiscal year 1987.

Although the Navy has testified to the importance of this project, the proposed funding for fiscal year 1987 is *less* than the amounts provided in fiscal years 1983-1985. The recommended amount compensates for the underfunding experienced in prior years.

### STANDOFF LAND ATTACK MISSILE

The Navy requested $42,409,000 for the Advanced Air-to-Surface Missile program in fiscal year 1987, which included $37,500,000 for the Standoff Land Attack Missile (SLAM). The Committee recommends $11,700,000 for SLAM, with an offsetting general reduction as authorized.

The $37,500,000 budgeted for SLAM in fiscal year 1987 assumes that the program will be in its second year of development. The Navy has stated a first year funding requirement of $11,700,000. Since SLAM would be a new start in fiscal year 1987, $11,700,000 will meet the Navy's stated first year funding requirement. Furthermore, the Committee notes that delays in the GPS program allow a slowdown in the SLAM development schedule with little or no program impact. GPS will provide full operational capability for SLAM, and has been significantly delayed due to the space shuttle problem.

### SURFACE SHIP TORPEDO DEFENSE

The Navy requested $36,908,000 to continue development of the Surface Ship Torpedo Defense (SSTD) System in fiscal year 1987. The Committee recommends $19,808,000. This program was significantly restructured by the Navy since the development and submission of the fiscal year 1987 budget estimates. The reduction holds the Navy to the original cost estimates for a particular subsystem which has been descoped. This is consistent with the program restructure, and provides adequate funding for development and testing of near-term, off-the-shelf systems. Concerning the long-term requirement, the Committee is supportive of ongoing discussions with the United Kingdom concerning a cooperative RDT&E effort. Both nations have a similar mission requirement, significant expertise, and concern over the overall funding requirements for their respective programs. Consequently, the potential exists for a joint program to be successful and reduce costs.

### SHIPBOARD DAMAGE CONTROL

The Navy requested $41,861,000 for Shipboard Damage Control in fiscal year 1987. The Committee recommends $26,626,000. This provides an increase over fiscal year 1986 of 19 percent. The reduction is based upon schedule slippage in the EMPRESS II program, and budget constraints which dictate slower growth in the development of new firefighting equipment.

The Committee notes that the total budget for the EMPRESS II project is divided between this program element and another entitled "Tactical Nuclear Weapon Development". The Committee directs that all funding for EMPRESS II be budgeted as a separate program element beginning with the fiscal year 1988 budget.

### PHYSICAL SECURITY (ADVANCED)

The Navy requested $7,686,000 for Physical Security (Advanced) in fiscal year 1987. The Committee recommends $6,386,000. The reduction is based upon more recent cost estimates.

### LOW COST SEEKER

The Navy requested $14,704,000 for Low Cost Seeker (LCS), for which the House Armed Services Committee provided an authorization of $39,704,000. The Committee recommends the authorized amount.

The Committee has consistently supported the LCS since fiscal year 1983, in the belief that it would serve to reduce the cost of the HARM missile and of future anti-radiation weapons. The threat of competition thus introduced by LCS development has indeed had a beneficial effect on the price of HARM; the Committee is convinced that production of LCS will lower HARM prices even more. From the taxpayer's standpoint, the threat of competition is good, but the actuality of competition is even better. In an apparent attempt to forestall LCS production, suggestions have recently been made to introduce a so-called "Block IV" change to HARM guidance and control. However, such a change would be contrary to declared Navy policy. When testifying before the Committee on the fiscal year 1987 budget request, the Secretary of the Navy stated he had no doubt that the HARM contractor "can come in and beat every single initial proposal for production of a Low Cost Seeker that we could come up with, because they will always buy in to kill off a competitor. Navy policy is to proceed with the Low Cost Seeker, and when any decision comes to me pitting a Block IV upgrade against a Low Cost Seeker, I will go with the Low Cost Seeker. I am not going to support continuing a monopoly . . ." The Committee notes that the House Armed Services Committee, in its report for fiscal year 1987, has recommended against Block IV unless it can be pursued with no adverse impact on the schedule for start of initial production of LCS-equipped HARM's in 1989.

The Committee strongly supports the efforts of the Secretary to broaden the industrial base in anti-radiation weapons. That goal is to obtain producers, not simply developers or technology experimenters. The two firms participating in the LCS program are reported to have made excellent technical progress, and to be rapidly positioning themselves to become producers of a block-changed HARM. All indications are that such production could begin in fiscal year 1989. Further, these firms will be able to provide, at long last, a competitive environment for future anti-radiation weapons programs. Consequently, the Committee repeats *for the fifth consecutive year* that LCS is to form the basis of a cost-cutting block change in HARM. The Committee directs the Navy to include in its fiscal year 1988 budget sufficient procurement funding for production start-up and long lead items necessary for initial production of LCS/HARM in fiscal year 1989.

The Committee is aware that a desirable outgrowth can be the use of LCS technology in other airframes. However, two years ago, in its report on fiscal year 1985 appropriations, the Committee stated that the objective "is development of a low cost seeker for HARM, no more and no less." The primary and unchanged goal remains the incorporation of LCS into HARM. Proposals to adapt LCS technology for other uses will not be allowed to serve as the pretext for deviating, or diverting funds and technical talent, from that goal. Such adaptations may be pursued in parallel with, but not instead of, incorporation of LCS into HARM.

The Committee, in its reports for fiscal years 1984 and 1985, directed the submission of quarterly status reports on the LCS program. Recently, those reports have not been submitted on a timely basis. The Committee directs the Navy to remedy the cause of these delays, and to continue submitting quarterly reports.

### WHITEHALL QUICK REACTION SURVEILLANCE SYSTEM

Last year, the Congress approved a quick reaction surveillance system intended to enhance the anti-submarine warfare capabilities of the U.S. Navy. The Committee understands that the Navy has recently made a competitive award to initiate tests for this program and wishes to advise the Navy that the funds provided should be extended through the fiscal year 1987 budget year for this program. The Committee also expects the Navy to continue the outyear funding for this program to fully test and evaluate the concept and plan for procurement of this van portable quick reaction ASW system. The Committee also understands that the Navy plans to test this system on available U.S. Navy ships as well as leased ships and encourages the Navy in this initiative.

### TACTICAL NUCLEAR WEAPON DEVELOPMENT

The Navy requested $15,151,000 for the Tactical Nuclear Weapon Development program in fiscal year 1987. The Committee recommends $7,651,000. The reduction is based upon schedule delays in the EMPRESS II project and the deferral of development support funding for two new tactical nuclear weapons whose development is being deferred pursuant to recommendations discussed under the Sea Lance and Unguided Conventional Air-Launched Weapons programs.

### ACOUSTIC SEARCH SENSORS (ENGINEERING)

The Navy requested $56,761,000 for the Acoustic Search Sensors (Engineering) program in fiscal year 1987. The Committee recommends $36,819,000, a reduction of $19,942,000, which would delete funding for the Expendable Reliable Acoustic Path Sonobuoy (ERAPS).

Based upon current cost estimates and system performance, it is extremely doubtful that ERAPS will be technically feasible at an affordable cost. Current plans call for initial procurement in fiscal year 1988 at a unit cost of over $33,000 and for unit costs of $20,000 over the first three years. According to Navy documents, the ERAPS unit cost goal of $5,000 (in fiscal year 1978 dollars) is not met in any year of the current Five Year Defense Plan.

In addition, the technical feasibility of ERAPS is highly questionable. Navy had been pursuing this technology for *sixteen years* in 1983, when the Committee recommended termination of the program due to cost and technical issues. At that time, the Navy submitted a report on ERAPS which declared that "the technology is now available." The Committee approved continued funding based upon Navy's statements. However, in 1985, ERAPS encountered "catastrophic" test failures when it was air dropped in an open ocean environment. The restructured program delays IOC by another two years. The cumulative effect of these delays would result in initial fielding in the early 1990's of a sensor utilizing early 1970's technology.

The Committee is advised of recent positive test results of another project in this program element, the Doppler Enhancement Program (DEP). Of the $36,819,000 provided, $5,700,000 is provided only for the DEP project. This does not accelerate the program, but merely allows it to proceed as scheduled.

### EW SIMULATOR DEVELOPMENT

The Committee recommends no separate funding for EW Simulator Development in fiscal year 1987. Funds for this effort can be provided from the $448,857,000 recommended under a new program entitled "ASD/C31" in the RDT&E, Defense Agencies account.

### V-22 OSPREY

The Committee recommmends $340,000,000 for V-22 Osprey, and an additional $40,000,000 for V-22 Engine Technology. These are the authorized funding levels for fiscal year 1987. However, the Committee is advised that the certification requirements as stated in section 204(a) of H.R. 4428 would have an adverse impact on this high-priority program. Accordingly, the Committee has included language in the bill which supersedes those provisions.

### SEA LANCE ASW STANDOFF WEAPON

The Committee recommends $115,000,000 for continued development of the Sea Lance ASW Standoff Weapon in fiscal year 1987. This is the authorized funding level, and is approved subject to the direction provided below.

The Navy's 1980 requirement for this weapon emphasized that the conventional capability should take precedence in the development effort due to potential wartime constraints on nuclear weapons usage. In 1982, however, the Navy decided to pursue a nuclear depth bomb (NDB) as the primary Sea Lance payload and include the MK-50 ALWT conventional payload at a later date. This decision was made, according to the Navy, based upon the pace of the MK-50 schedule. Since that time, Sea Lance schedules have slipped significantly. As a result, Navy analyses now show that the MK-50 variant of Sea Lance could be accelerated by one year with potential RDT&E savings of nearly $30,000,000. At the same time, costs for the NDB have risen so high that the Department of Defense recently directed a reassessment of the need for this variant. The Congress has been concerned in the past about Sea Lance RDT&E costs as well as our conventional ASW warfighting capability in the 1990's. Accceleration of the MK-50 variant would make improvements in both of these areas. Therefore, the Committee directs the Navy to accelerate the MK-50 variant by one year. The Committee interposes no objection to a corresponding slip in the NDB program, if this is necessary due to the availability of test assets.

### AAM SYSTEMS ENGINEERING

The Navy requested $27,906,000 for Air-to-Air Missile Systems Engineering in fiscal year 1987. The Committee recommends $24,,760,000. The reduction of $3,146,000 is based upon budget constraints, and provides an increase of 93 percent over fiscal year 1986 instead of 118 percent, as proposed.

### SSN-688 VLS

The Navy requested $18,344,000 to continue development of the SSN-688 Vertical Launch System (VLS) in fiscal year 1987. The Committee recommends $5,894,000. The reduction is based upon a two year delay in the test program which supports a lower funding requirement of test execution and test support costs in fiscal year 1987.

### SUBMARINE COMBAT SYSTEMS

The Navy requested $316,649,000 for Submarine Combat Systems in fiscal year 1987. This program includes development of the BSY-1 Submarine Advanced Combat System (SUBACS) and the Fiscal Year 1989 Combat System. The Committee recommends $284,949,000. The reduction is to be levied *entirely* against the Fiscal Year 1989 Combat System project, for the reasons described below.

The budget request of $113,500,000 for the Fiscal Year 1989 Combat System is clearly too high for a system which will not complete its design phase until fiscal year 1988. The reduction is primarily based upon excessive funding for program manager's reserves and savings resulting from the Navy program decisions made subsequent to the submission of the budget. Since these funds are excess to requirements, the reduction should have no impact on the overall program schedule.

The Committee continues to be concerned about the status of the BSY-1 SUBACS development effort. The Surveys and Investigations Staff has advised the Committee that several critical hardware modules are behind schedule due to producibility and reliability problems. Shipboard integration of the combat system, scheduled to begin in November 1987, is still considered high risk by the Navy, and even with that schedule, four production decisons will be made before OPEVAL is conducted. Although the Navy claims that contractual penalties for late delivery are adequate to ensure that these schedules are met, the Defense Contract Audit Agency has reported that the cost and pricing data submitted by the prime contractor for this work was unacceptable, and that future claims may result. The Committee views these developments with concern, and encourages the Navy to continue to place a high management priority on this program.

### SSN-21 ATTACK SUBMARINE

The Navy requested $256,668,000 to continue development of hull, mechanical, and electrical (HM&E) components for the SSN-21 attack submarine in fiscal year 1987. The Committee recommends $240,000,000. The recommended level represents a minor (6.5 percent) reduction, and is made due to budget constraints and an inability to afford the rising cost of this program in its entirety. The Committee notes that a larger (10 percent) reduction in this program for fiscal year 1986 had no impact on the overall program schedule.

The Committee continues to be concerned over elements of the SSN-21 acquisition strategy, and believes that some changes are now required. The Committee noted last year that total RDT&E costs for SSN-21's HM&E components had risen from $1,900,000,000 in 1984 to $2,100,000,000 in 1985. That estimate is now over $2,400,000,000. When costs for the SSN-21 Combat System are added, total development cost for this submarine is close to $4,000,000,000. In testimony before the Committee this year, the Secretary of the Navy agreed that a cost cap on the SSN-21 RDT&E effort "might be useful" at this point in the program. Accordingly, the Committee directs the Navy to establish a cost cap on the entire SSN-21 RDT&E effort, with two separate sub-caps for the HM&E and Combat System portions. No more than $100,000,000 of the recommended funding may be obligated or expened until the Committee receives, and responds to, written notification of the establishment of such a cap.

### SUBMARINE TACTICAL WARFARE SYSTEMS

The Navy requested $47,101,000 for the Submarine Tactical Warfare Systems program in fiscal year 1987. The Committee recommends $31,101,000, which is a reduction of $16,000,000, with an offsetting transfer of $700,000 in fiscal year 1986 funds. $7,000,000 of the reduction deletes RDT&E funding for the low cost antisurface torpedo, based upon testimony that no development effort was anticipated for this weapon. The remainder of the reduction is based upon severe delays in the CCS Mark 1 program, which indicate a lower fiscal year 1987 funding requirement.

### ADA IMPLEMENTATION PLAN

The Committee notes that the Navy's plan to implement the Ada programming language is still in draft form after two years. Perhaps as a result, major programs such as the Fiscal Year 1989 Combat System have no firm plans to use Ada. This appears to be in violation of DoD Directive 5000.31, which requires the use of Ada in all programs entering full-scale development after July 1, 1984. The Committee believes that an approved Ada Implementation Plan would provide guidance to programs which otherwise might be unaware of DoD Directive 5000.31, as well as a baseline for future monitoring of Ada development and justification for future budget proposals. A final approved plan must be submitted to the Committee no later than April 1, 1987.

### UNGUIDED CONVENTIONAL AIR-LAUNCHED WEAPONS

The Committee recommends that no funds be provided in fiscal year 1987 for a proposed new start entitled Airborne ASW Nuclear Weapon. This results in a reduction of $1,615,000.

The Committee is not convinced of the requirement for this weapon, for several reasons: (1) the Navy has no approved Operational Requirement (OR) document; (2) the Navy completed a comprehensive Air ASW Master Plan in 1985, and there is no mention of the need for such a weapon; and (3) since the submission of the fiscal year 1987 budget, the Navy has decided that it wants a *multipurpose* nuclear weapon, now called the Nuclear Depth/Strike Bomb, instead of the Airborne ASW Nuclear Weapon. Furthermore, this project is improperly budgeted in a program element designated for *conventional* weapons.

The Committee encourages a resumption of testing of the United Kingdom's MK-11 Air-Launched Depth Charge as a possible alternative to this weapon, while the Navy continues to refine and validate the mission requirement. If the Navy wishes to request funding for such a weapon in the future, it should be in a properly designated program element.

### MK-50 ADVANCED LIGHTWEIGHT TORPEDO

The Committee recommends $188,825,000 to continue full scale engineering development (FSED) of the MK-50 Advanced Lightweight Torpedo (ALWT) in fiscal year 1987. This is an addition of $40,000,000 to the budget request; however, an offsetting reduction has been made in the Weapons Procurement, Navy account. Bill language is provided which makes the recommended amount available only for this purpose.

The Committee continues to be a strong supporter of the MK-50, but believes that the program is not yet ready for production due to delays and Navy descoping of the RDT&E program. The recommended funding will enable the FSED program to get back on track and provide adequate engineering and performance data prior to approval of low-rate initial procurement funds.

### MARINE CORPS GROUND COMBAT/SUPPORT ARMS (ENGINEERING)

The Committee recommends $2,034,000 for Marine Corps Ground Combat/Support Arms (Engineering) in fiscal year 1987, as well as a transfer of $2,700,000 in fiscal year 1986 funds. This is a reduction of $10,507,000 from the budget request. The reduction and partially offsetting transfer is based upon program savings due to delays in the CATFAE and VEMASID projects and termination of the POMINS project by the Marine Corps in April 1986.

### LIGHTWEIGHT BATTLEFIELD SURVEILLANCE RADAR

According to information provided by the Marine Corps, due to delays in program schedule, growing R&D cost estimates, and higher than anticipated contract proposals, the Marine Corps terminated this program during the second quarter of fiscal year 1986. The Committee is, therefore, deleting the fiscal year 1987 request of $1,709,000, which is no longer required.

### MARINE CORPS C3 SYSTEMS (ENGINEERING)

The Navy requested $16,005,000 for the Marine Corps C3 Systems (Engineering) program in fiscal year 1987. The Committee recommends $4,137,000. The recommendation would defer funding for the Advanced Tactical Air Command Central (ATACC) until fiscal year 1988. This is a proposed new start for fiscal year 1987. The Committee notes that the Marine Corps is not yet committed to heavily automated tactical C3, and major elements of this system will undergo critical testing throughout calendar year 1986. We should witness the results of these tests, and the Marine Corps' commitment to procure such systems, before beginning development of yet another node in an overall automated C3 network.

In addition, a portion of the reduction is based upon recent schedule slippage in the Tactical Command Operations project.

### MARINE CORPS TELECOMMUNICATIONS

The Navy requested $11,644,000 for the Marine Corps Telecommunications program in fiscal year 1987. The Committee recommends $7,000,000. The reduction of $4,644,000 includes funding for a new project which was not authorized, and a slower growth rate in funding for the remaining projects. The Committee's recommendation represents a 106 percent increase over the fiscal year 1986 funding level for this program.

### MARINE CORPS GROUND COMBAT/SUPPORT ARMS

The Committee recommends $60,865,000 of the $67,934,000 requested for the Marine Corps Ground Combat/Support Arms program in fiscal year 1987. The reduction is based upon program savings resulting from termination of the Light Armored Vehicle-Assault Gun variant in May 1986. The recommendation includes funding to complete evaluation of the 75 millimeter gun in fiscal year 1987.

### RELOCATABLE OVER-THE-HORIZON RADAR (ROTHR)

The fiscal year 1987 budget includes a total request of $56,141,000 for ROTHR for what will become a billion dollar program. In addition, the Navy has also requested $24,400,000 in the Military Construction bill for costs associated with the first ROTHR site.

Despite the "relocatable" included in the title of the program, the Committee is dismayed to learn that each site not only will require over 100 military personnel simply for operations, but that the entire ROTHR system will require a third of a billion dollars in permanent military construction costs.

The Committee has always objected to "concurrency" in programs whereby funds are requested for procurement and deployment when research and development is still continuing. The Committee believes that the Department has achieved a notable first in that the ROTHR program appears to be the first *triply* concurrent program: technical evaluation is still underway while funds are being requested not only for the first prototype, but also for procurement to support the first operational fielding.

Prior to requesting funds for such an expensive effort, it is incumbent upon the Department of the Navy to insure that the requirement for a system such as ROTHR cannot be met through other means. The Committee is convinced that much, if not all, of the information to be provided by ROTHR can largely be obtained either from existing systems or from systems soon to be fielded.

The Committee notes that many of the items proposed for completion with fiscal year 1987 funds were identified for completion in fiscal year 1986 with the initial RDT&E funding for this effort. This can only indicate that either the program has slipped, or that the primary source of information provided to the Congress in support of a billion dollar program is basically inaccurate.

As a result of the lack of congressional approval of military construction authorization and funding in fiscal year 1987, the apparent confusion within the Department of Defense as to potential alternative programs, and the lack of affordability in the face of stringent budget constraints, the Committee is recommending denial of the full request of $56,141,000 as reflected in four different appropriations. Of that amount $40,971,000 is deleted from RDT&E, Navy.

### ENVIRONMENTAL PROTECTION

The Navy requested $8,720,000 to conduct research into Navy-related environmental protection issues in fiscal year 1987. The Committee recommends $7,720,000, and directs that at least $4,000,000 of this amount be applied toward continued research into new methods of inhibiting the surface fouling of naval ships. This work should include an increased level of effort into organization anti-fouling paint as well as accelerated investigation of the potential use of copper-nickel alloy to reduce fouling and thereby eliminate the need for the use of highly toxic anti-fouling paints. At least $2,500,000 should be allocated toward organization research. Funds for this effort have been consolidated into a single program element for better management visibility.

The Committee is advised by the Environmental Protection Agency (EPA) that it is "still in the process of gathering information needed for an adequate risk-benefit assessment" on organization, and can therefore not provide the certification required by section 8107 of Public Law 99–190. For this reason, the Committee recommends the continuation of this bill language for fiscal year 1987.

Furthermore, the Committee criticizes the Navy for its preparation of the organization report required by the Committee last year. This report was submitted to the Committee four months late, and was much longer than required to meet the Committee's direction. At a time when the Secretary of the Navy and the Committee are working to reduce both the number and size of reports to the Congress, it is disturbing to see a report submitted which was much broader in scope, and consequently more costly to prepare, than the Committee requested.

### RDT&E SHIP AND AIRCRAFT SUPPORT

The Navy requested $81,335,000 for RDT&E Ship and Aircraft Support in fiscal year 1987. The Committee recommends $76,088,000. The reduction is based upon budgeted aircraft rework costs which are well above historic costs for similar work.

### INTERNATIONAL RDT&E

The Committee recommends $1,000,000 for International RDT&E, a reduction of $2,687,000. The Committee believes that the International Cooperative RDT&E project is no longer needed, since the NATO Cooperative RDT&E program provides funding for the same purpose. The Committee has recommended $178,427,000 for the NATO Cooperative RDT&E program, which is the authorized level. The recommendation also provides a 63 percent increase for support of the SACLANT Research Center, instead of the 104 percent increase proposed by the budget.

### TEST AND EVALUATION SUPPORT

The Committee recommends $305,000,000 for Test and Evaluation Support, a reduction of $25,580,000 from the budget request. This provides a ten percent increase over the level provided in fiscal year 1986.

The Committee is reluctant to provide significant increases in institutional funding for Navy MRTFB facilities, since Navy cannot readily provide either current or projected range utilization data in support of the budget request. The Committee intends that some portion of the reduction be applied against proposed funding for Improvement and Modernization (I&M) projects, with the exception that AUTEC I&M be funded at the level specified in the fiscal year 1987 budget.

## MANUFACTURING TECHNOLOGY

The Navy requested $31,319,000 for Manufacturing Technology. The Committee recommends the budgeted amount.

### MODERN CASTING TECHNOLOGY

The Committee directs that within the funds provided, $5,000,000 be used to conduct a demonstration of modern casting technology to the production of 16-inch projectiles required to support the battleship reactivation program. This demonstration should be sufficiently comprehensive to validate the opportunity for reduced costs in volume production. Successful application of this technology could significantly lower funding levels for future large caliber ammunition requirements. Upon completion, program results will be reported to the Committee.

### LASER ARTICULATING ROBOTIC SYSTEM

The Committee notes that the fiscal year 1987 budget includes $3,000,000 for development of the Laser Articulating Robotic System (LARS). This project has been of interest to the Committee for many years. The Navy is expected to allocate no less than $3,000,000 of the $31,319,000 budgeted and recommended for Manufacturing Technology to the LARS project.

### INTEGRATED PLATFORM COMMUNICATIONS DEVELOPMENT

A new program was established in authorization action entitled "Integrated Platform Communications Development", and $69,021,000 in fiscal year 1987 funding was authorized. This is not a true add-on to the budget request, but a consolidation of three existing projects into a restructured program. The Committee strongly supports this new program, based upon significant anticipated RDT&E and ILS cost savings, low technical risk, and reduced program management costs. Furthermore, the Committee concurs with the House Armed Services Committee and senior DoD and Navy officials that the ICS/SCAN system should be the baseline architecture for each of the derivative development efforts.

The Navy is directed to expeditiously establish a project office to execute this new program, and to submit a Plan of Action and Milestones for the program to the Committee by March 31, 1987.

### CLASSIFIED PROGRAMS

The Committee recommends the addition of $5,450,000 to the budget request for classified programs for reasons explained in the classified annex to this report, and in a classified letter to the Secretary of Defense.

### PROGRAM SUMMARY

The following schedule shows the budget estimate, the recommended appropriation, and the change from the budget estimate for fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| RESEARCH DEVELOPMENT TEST • EVAL, NAVY | | | |
| TECHNOLOGY BASE | | | |
| UNIVERSITY RESEARCH | 12,068 | 12,068 | --- |
| INHOUSE IND LAB RSRCH | 26,918 | 26,918 | --- |
| DEF RESRCH SCIENCES | 349,853 | 340,241 | -9,612 |
| AAW/ASUW TECHNOLOGY | 75,244 | 60,000 | -15,244 |
| ELECTRONIC WARFARE TECHNOLOGY | 13,946 | --- | -13,946 |
| SURFACE SHIP TECHNOLOGY | 13,515 | --- | -13,515 |
| AIRCRAFT TECHNOLOGY | 21,111 | 20,000 | -1,111 |
| MARINE CORPS AIR-GROUND TECHNOLOGY | 17,628 | 15,081 | -2,547 |
| COMMAND, CONTROL & COMMUNICATIONS TECHNOLOGY | 20,242 | 20,242 | --- |
| MISSION SUPPORT TECHNOLOGY | 34,238 | 34,238 | --- |
| SYSTEMS SUPPORT TECHNOLOGY | 65,799 | 61,799 | -4,000 |
| ASW TECHNOLOGY | 90,060 | 80,000 | -10,060 |
| MINE & SPECIAL WARFARE | 14,038 | 14,038 | --- |
| SUBMARINE TECHNOLOGY | 12,441 | 12,441 | --- |
| NUCLEAR PROPULSION | 43,876 | 33,000 | -10,876 |
| OCEAN & ATMOSPHERIC SUPPORT TECHNOLOGY | 25,354 | 25,354 | --- |
| INDEPENDENT EXPLORATORY DEVELOPMENT | 14,717 | 14,717 | --- |
| TOTAL, TECHNOLOGY BASE | 851,048 | 770,137 | -80,911 |
| ADVANCE TECHNOLOGY DEVELOPMENT | | | |
| AVIONICS | 3,858 | 3,858 | --- |
| ADV AIRCRAFT PROPULSION SYS | 6,638 | 6,638 | --- |
| ADV A/C SUB SYSTEMS | 7,944 | 5,978 | -1,966 |
| NATIONAL AEROSPACE PLANE | 25,527 | --- | -25,527 |
| ERASE SYS TECH | 6,486 | 8,986 | +2,500 |
| SHIP PROPULSION SYSTEM | 22,474 | --- | -22,474 |
| SUBMARINE HULL ARRAY DEV (ADV) | 8,891 | 8,891 | --- |
| ELECTRIC DRIVE | 9,816 | 9,816 | --- |
| HUMAN FACTORS ENG (HFE) | 3,964 | 2,000 | -1,964 |
| MEDICAL DEVELOPMENT | 16,700 | 10,535 | -6,165 |
| MNPWR & PERSONNEL SYS | 6,658 | 2,600 | -4,058 |
| GENERIC LOGISTICS R&D TECH DEMO | 21,236 | 10,000 | -11,236 |
| EDUCATION AND TRAINING | 6,536 | 6,536 | --- |
| ADV MANPWR TRNG SYS | 1,837 | 1,837 | --- |
| SIMU & TRAINING DEVICES | 8,218 | 8,218 | --- |
| NAVY LOGISTICS PRODUCTIVITY | 934 | --- | -934 |
| ADV ASW TECH | 25,063 | 25,063 | --- |
| ADV TECH TRANSITION | 13,492 | 13,492 | --- |
| TOTAL, ADVANCE TECHNOLOGY DEVELOPMENT | 196,272 | 124,448 | -71,824 |
| STRATEGIC PROGRAMS | | | |
| TACT SPACE OPERATIONS | 22,506 | 16,000 | -6,506 |
| SSBN SURVIVABILITY | 2,703 | 2,703 | --- |
| SATELLITE LASER COMM | 5,875 | 35,875 | +30,000 |
| TRIDENT II | 1,632,866 | 1,500,000 | -132,866 |
| STRAT TECH SUPPORT | 3,914 | 3,914 | --- |
| FLT BALLSTC MIS SYS | 40,222 | 25,000 | -15,222 |
| SSBN SEC TECH PROG | 54,739 | 50,000 | -4,739 |
| TRIDENT | 51,783 | 41,000 | -10,783 |
| EXTRME LOW FREQ COMM | 18,296 | 8,000 | -10,296 |
| NAVY STRATEGIC COMM | 143,282 | 84,654 | -58,628 |
| NAVY STRATEGIC COMM (BY TRANSFER) | --- | (13,778) | (+13,778) |
| NAV SPASUR | 1,563 | 900 | -663 |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| MEECN | 1,687 | 1,687 | --- |
| WIS MODERNIZATION | 21,610 | 7,177 | -14,433 |
| TOTAL, STRATEGIC PROGRAMS | 2,001,046 | 1,776,910 | -224,136 |
| TACTICAL PROGRAMS | | | |
| INTEGRATED A/C AVIONICS | 22,484 | 22,484 | --- |
| ELECT W/F ADV. DEV | 39,294 | --- | -39,294 |
| AIR/OCEAN TACT. APPLIC | 7,522 | 6,550 | -972 |
| T-45/TS | 134,163 | 115,163 | -19,000 |
| AIRBRNE LIFE SUPT SYS | 4,377 | 4,100 | -277 |
| CV ASW MODULE | 4,255 | 4,255 | --- |
| AIRCRAFT SYSTEMS | 5,547 | --- | -5,547 |
| AIR ASW | 9,131 | 5,631 | -3,500 |
| A-6F | 143,256 | 130,000 | -13,256 |
| ABN MINE CNTRMEASURES | 11,565 | 11,565 | --- |
| TAC AIR RECONN | 18,042 | 14,042 | -4,000 |
| ACFT SURVIV/VULNERABLTY | 19,054 | 15,000 | -4,054 |
| NAVAL AIRSHIP | 9,834 | --- | -9,834 |
| ADV. AIR-TO-SURF MSL | 42,409 | 11,700 | -30,709 |
| GENERAL REDUCTION | --- | -11,700 | -11,700 |
| IRR MAVERICK | 245 | --- | -245 |
| ADV AIR-AIR SURF-AIR MSL | 79,728 | --- | -79,728 |
| LOW COST ANTI-RADIATION SEEKER | 14,704 | 39,704 | +25,000 |
| BGAAWC | [illegible] | 7,000 | -6,746 |
| SURFACE MCM | [illegible] | 17,678 | -5,000 |
| SUB SONAR DEV | [illegible] | 11,109 | --- |
| SURF-SHIP TORPEDO DEFNS | 36,908 | 19,808 | -17,100 |
| SHIPBRD SYS COMPNT DEV | 14,917 | 14,917 | --- |
| SHIPBRD DAMAGE CONTROL | 41,861 | 26,626 | -15,235 |
| SUB ARCTIC WF/SPT EQUIP PROG | 2,946 | 2,946 | --- |
| PILOT FISH | 75,248 | 75,248 | --- |
| NONACOUSTIC ASW | 26,139 | 23,139 | -3,000 |
| ADV ASW TARGET | 10,282 | 10,282 | --- |
| RETRACT JUNIPER | 28,935 | 27,455 | -1,480 |
| RADIOLOGICAL CONTROL | 2,592 | --- | -2,592 |
| LINK DOGWOOD | 3,931 | 1,000 | -2,931 |
| SURFACE ASW | 23,168 | 11,584 | -11,584 |
| SUB TAC WARFARE SYS | 10,689 | 10,689 | --- |
| SHIP DEVELOPMENT | 21,606 | 14,000 | -7,606 |
| SURFACE SHIP NAVSYS | 6,675 | --- | -6,675 |
| ATTACK SUBMARINE DEV | 3,931 | --- | -3,931 |
| ADV NUC REACTOR COMP SYS DEV | 96,037 | 96,037 | --- |
| PHYSICAL SECURITY | 7,686 | 6,386 | -1,300 |
| CHALK EAGLE | 79,351 | 79,351 | --- |
| A4W/AIG NUC PROP PLANT | 3,410 | 3,410 | --- |
| COMBAT SYS INTEGRATION | 24,051 | --- | -24,051 |
| JOINT ADVANCED SYSTEMS | 78,680 | --- | -78,680 |
| MINE DEVELOPMENT | 14,836 | 14,836 | --- |
| CHALK PINE | 43,711 | 43,711 | --- |
| CONVENTIONAL MUNITIONS | 40,882 | 35,000 | -5,882 |
| ALWT (ADV) | 7,434 | --- | -7,434 |
| MC ASSAULT VEHICLES | 11,005 | 11,005 | --- |
| TAC NUCLEAR WEAPON DEV | 15,151 | 7,651 | -7,500 |
| MC GRD COMBAT/SPT SYS | 18,249 | 15,249 | -3,000 |
| JT SERV EXPL ORDN DEV | 14,791 | 14,791 | --- |
| OCEAN ENG SYS DEV | 1,417 | 1,417 | --- |
| ASW OCEANOGRAPHY | 7,065 | 7,065 | --- |
| ASW SIGNAL PROCESSING | 17,988 | 17,988 | --- |
| ADV MARINE BIO SYSTEM | 5,305 | 5,305 | --- |
| FLEET TAC D&E PROGRAM | 4,649 | 4,649 | --- |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| OCEAN ENG TECH DEV | 16,373 | 14,224 | -2,149 |
| COMMAND AND CONTROL SYS | 36,525 | 31,525 | -5,000 |
| CONTAINER OFFLD/TRNSFR SYS | 5,602 | --- | -5,602 |
| NAVAL SPECIAL WARFARE | 15,637 | 15,637 | --- |
| NAVY ENERGY PROGRAM | 16,833 | 16,053 | -780 |
| FACILITIES IMPROVEMENT | 9,476 | 9,476 | --- |
| MERSHIP NAV AUX PROG | 6,014 | 3,014 | -3,000 |
| COMBAT SERVICES SUP (ADV) | 15,857 | 15,857 | --- |
| CHALK CORAL | 14,694 | 14,694 | --- |
| LINK HAZEL | 37,566 | 37,566 | --- |
| LINK LAUREL | 47,088 | 5,488 | -41,600 |
| ARIADNE | 11,240 | 8,240 | -3,000 |
| LINK SPRUCE | 94,272 | --- | -94,272 |
| RETRACT MAPLE | 20,782 | 20,782 | --- |
| MOCS SEG1 | 12,599 | 6,300 | -6,299 |
| ASW SURVEILLANCE | 25,982 | 25,982 | --- |
| ASW ENVIRONMENTAL ACOUSTIC SPT | 12,764 | 12,764 | --- |
| SPECIAL PROCESSES | 41,466 | 41,466 | --- |
| STANDARD AVIONICS DEVELOPMENT | 19,432 | 2,740 | -16,692 |
| IFF SYS DEV | 23,449 | 23,449 | --- |
| LAMPS | 19,712 | 19,712 | --- |
| HELO DEV | 11,084 | 11,084 | --- |
| AV-8B AIRCRAFT (ENG) | 48,639 | 64,639 | +16,000 |
| SUPPORT EQUIP | 32,492 | 32,492 | --- |
| S-3 WEAPONS SYS IMPRVMNT | 15,644 | 15,644 | --- |
| AIR OCEAN EQUIP ENG | 3,294 | 3,294 | --- |
| AIRBORNE ASW DEV | 2,266 | 2,266 | --- |
| P-3 MODERNIZATION PROG | 96,877 | 77,210 | -19,667 |
| ABN EW ENG | 55,973 | --- | -55,973 |
| ASPJ | 19,947 | --- | -19,947 |
| CV IZ ASW HELO | 8,062 | 2,800 | -5,262 |
| A/C PROPULSION (ENG) | 27,500 | 27,500 | --- |
| EW SIMULATOR DEVELOPMENT | 51,896 | --- | -51,896 |
| C/MH-53E | 3,464 | 1,611 | -1,853 |
| ACOUSTIC SRCH SENSORS (ENG) | 56,761 | 36,819 | -19,942 |
| V-22 | 386,871 | 340,000 | -46,871 |
| AVIATION LIFE SPT SYS | 29,705 | 29,705 | --- |
| ACFT ENGINE COMPNT IMP | 65,183 | 60,000 | -5,183 |
| MK-92 FCS UPGRADE | 7,808 | 7,808 | --- |
| GENERAL REDUCTION | --- | -7,808 | -7,808 |
| AEGIS AREA AIR DEF | 4,312 | 4,312 | --- |
| AEGIS WPN SYS IMP | 134,939 | 110,000 | -24,939 |
| LINK ASH | 8,846 | 8,846 | --- |
| SEA LANCE | 118,416 | 115,000 | -3,416 |
| AMRAAM | 19,022 | 19,022 | --- |
| VERTICAL LAUNCHING SYS | 20,388 | 20,388 | --- |
| AIR/AIR MSL SYS ENGR | 27,906 | 24,760 | -3,146 |
| VLS ASROC | 41,669 | 41,669 | --- |
| CLOSE-IN WPN (PHALANX) | 7,493 | 7,493 | --- |
| NATO SEA SPARROW | 7,745 | --- | -7,745 |
| SM-2 (N) | 9,229 | --- | -9,229 |
| STNDRD MISSILE IMPRVMNTS | 45,988 | 45,988 | --- |
| TOMAHAWK | 68,368 | 68,368 | --- |
| 5 IN. ROLLING AIR FRM MSLE | 24,210 | --- | -24,210 |
| SSN-688 CLASS VLS | 18,344 | 5,894 | -12,450 |
| NEW THREAT UPGRADE | 50,899 | 50,899 | --- |
| SUBMARINE COMMUNICATIONS | 25,979 | 7,377 | -18,602 |
| SUBMARINE SONAR DEV | 52,716 | 52,716 | --- |
| AIR CONTROL ENG | 9,207 | 9,207 | --- |
| CW COUNTERMEASURES | 7,799 | 7,799 | --- |
| EMSP | 100,345 | 96,345 | -4,000 |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| RADAR SURVEILLANCE EQUIP | 9,321 | 9,321 | --- |
| SUB SPT EQUIP PROG | 32,265 | 17,265 | -15,000 |
| SHIP SURVIVABILITY | 9,194 | 9,194 | --- |
| CMBT INFO CNTR CONVERSN | 36,727 | 36,727 | --- |
| SUB COMBAT SYSTEMS | 316,649 | 284,949 | -31,700 |
| SSN-21 DEVELOPMENT | 256,668 | 240,000 | -16,668 |
| SUB TACT WARFARE SYS | 47,101 | 31,101 | -16,000 |
| SUB TACT WARFARE SYS (BY TRANSFER) | --- | (700) | (+700) |
| PHYSICAL SECURITY (ENG) | 9,015 | 9,015 | --- |
| SHIP SUBSYS DEV/LBTS | 18,822 | 84,242 | +65,420 |
| SHIPBD ELEC WARFR IMPRV | 51,932 | --- | -51,932 |
| STD EMBEDDED COMPUTER RSRCS | 32,469 | --- | -32,469 |
| SQS-53C | 26,514 | 26,514 | --- |
| LINK BIRCH | 3,927 | 3,927 | --- |
| MINE DEVELOPMENT | 13,740 | 13,740 | --- |
| NAVAL GUNNERY IMPROVEMENT | 17,428 | 12,000 | -5,428 |
| UNGUID CONVL AIRLNCH WEP | 5,626 | 4,011 | -1,615 |
| CHEM WARFARE WEAPONS | 4,000 | 4,000 | --- |
| SAL GP/EO SENS DEV | 21,156 | --- | -21,156 |
| BOMB-FUZE IMPR | 14,711 | 14,711 | --- |
| MK-50 TORP (ALWT) | 148,825 | 188,825 | +40,000 |
| JT SERV EOD DEV (ENG) | 5,420 | 5,420 | --- |
| MC GRND CMBT/SPT ARMS | 12,541 | 2,034 | -10,507 |
| MC GRND CMBT/SPT ARMS (BY TRANSFER) | --- | (2,700) | (+2,700) |
| MK 48 ADCAP (ENG) | 37,895 | 37,895 | --- |
| ASW OCEANOGRAPHIC EQUIP | 1,162 | 1,162 | --- |
| CHALK BANYAN | 16,600 | 21,600 | +5,000 |
| THEATER MISSION PLAN CTR | 22,275 | 22,275 | --- |
| INITIAL TRAINERS ACQUISITION | 84,621 | --- | -84,621 |
| NAVY ENERGY PROGRAM | 9,044 | 8,794 | -250 |
| NCCS ASHORE NODES | 53,029 | 53,029 | --- |
| SURF ASW SYS IMP | 36,860 | 18,430 | -18,430 |
| AIR W/F TRNG DEV | 1,964 | 1,964 | --- |
| SURFACE W/F TRNG DEV | 28,631 | 28,631 | --- |
| COMBAT SERVICES SPT | 5,465 | 5,465 | --- |
| MC INTEL/ELEC WAR SYS | 9,546 | 7,837 | -1,709 |
| MC CMD/CNTRL/COMM SYS | 16,005 | 4,137 | -11,868 |
| REGIONAL TAC SURV | 40,971 | --- | -40,971 |
| INTELLIGENCE (ENG) | 6,460 | 6,460 | --- |
| MEDICAL DEV (ENG) | 2,997 | 2,997 | --- |
| JT INTEROP TAC CMD/CNTRL | 3,586 | 3,586 | --- |
| JT INTEROP TAC CMD/CNTRL MC | 3,471 | 3,471 | --- |
| FLEET TAC DEV/EVAL | 16,590 | 16,590 | --- |
| ELECTROMAGN SPECTRUM MGT | 5,873 | 2,937 | -2,936 |
| MNGMNT AND TECH SPT | 14,296 | 8,400 | -5,896 |
| C2 SURV RECON SUP | 5,342 | 5,058 | -284 |
| MC TAC EXPLOIT NAT CAP | 849 | 849 | --- |
| A-6 SQUADRONS | 13,820 | 4,077 | -9,743 |
| F/A-18 SQUADRONS | 59,093 | 35,000 | -24,093 |
| ERLY WRNG ACFT SQDRNS | 34,454 | 34,454 | --- |
| AVIATION SPT CVW | 2,221 | 2,221 | --- |
| FLEET TCC (TAC) | 63,733 | 44,898 | -18,835 |
| UNDERSEA SURVEIL SYS | 34,198 | 34,198 | --- |
| SURTASS | 5,833 | 5,833 | --- |
| SPECIAL PROJECTS | 10,500 | 10,500 | --- |
| COVER AND DECEPTION PROG | 15,066 | 15,066 | --- |
| EW READINESS SUPPORT | 4,421 | --- | -4,421 |
| COUNTER C3 DEV | 23,952 | --- | -23,952 |
| HARM IMPROVEMENTS | 3,931 | --- | -3,931 |
| TACTICAL INFO SYS | 48,071 | 15,000 | -33,071 |
| ASW CMBT SYS INTEGRATION | 17,409 | 10,000 | -7,409 |
| ACFT EQ RELIABLTY/MAINT PROG | 8,846 | 2,057 | -6,789 |
| LAB FLEET SUPPORT | 6,056 | 6,056 | --- |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| F-14 UPGRADE | 268,421 | 240,000 | -28,421 |
| TAC INTELL PROCESSING | 2,160 | 2,160 | --- |
| EW COUNTER RESPONSE | 69,708 | --- | -69,708 |
| OPERATIONAL REACTOR DEV | 18,872 | 18,872 | --- |
| MAR CORPS TELECOM | 11,644 | 7,000 | -4,644 |
| MC GRD COMBAT/SUP ARMS SYS | 67,934 | 60,865 | -7,069 |
| MC COMBAT SERVICES SPT | 2,548 | 2,548 | --- |
| MC INTEL/ELEC WAR SYS | 24,822 | 18,822 | -6,000 |
| MC CMD/CNTL/COMM SYS | 39,925 | 26,169 | -13,756 |
| MC TECH SUPP C/C SYS | 7,471 | 7,471 | --- |
| TRI TAC MC | 6,959 | 6,959 | --- |
| GENERAL REDUCTION | --- | -170,000 | -170,000 |
| TOTAL, TACTICAL PROGRAMS | 6,035,049 | 4,430,811 | -1,604,238 |
| INTELLIGENCE & COMMUNICATIONS | | | |
| NAVIGATION SYSTEMS | 641 | 641 | --- |
| EHF SATCOM | 53,141 | 53,141 | --- |
| NAVSTAR GPS | 76,513 | 76,513 | --- |
| SATELLITE COMM | 11,753 | 11,753 | --- |
| MILSTAR JOINT PROJ OFC TERMINAL | 4,198 | 4,198 | --- |
| CLASSIFIED PROGRAMS | 548,784 | 554,234 | +5,450 |
| TOTAL, INTELLIGENCE & COMMUNICATIONS | 695,030 | 700,480 | +5,450 |
| DEFENSEWIDE MISSION SUPPORT | | | |
| ENVIRONMENTAL PROTECT | 8,720 | 7,720 | -1,000 |
| NATO COOPERATIVE | 49,091 | --- | -49,091 |
| RANGE INSTRMNTATN SYS DEV | 11,347 | 11,347 | --- |
| TARGET SYS DEV | 111,690 | 90,000 | -21,690 |
| PERS TRNG, SIMULATION & HUMAN FACTORS | 6,823 | 3,575 | -3,248 |
| STUDIES ANALYSIS SPT--MC | 1,811 | 1,811 | --- |
| STUDIES ANALYS SPT--NAVY | 8,031 | 3,785 | -4,246 |
| MC OPS ANALYS GP-CNA | 4,068 | 4,068 | --- |
| CNTR FOR NAV ANALYSIS | 18,603 | 18,603 | --- |
| MC OPERATNL TEST/EVAL | 1,751 | 1,751 | --- |
| TECH INFO SERVICES | 2,543 | 2,543 | --- |
| DEVEL CENTER SUPPORT | 5,300 | 5,300 | --- |
| INTERNATIONAL RDT/E | 3,687 | 1,000 | -2,687 |
| RDTE LAB/FAC MGT SPT | 54,974 | 50,000 | -4,974 |
| RDTE INSTRUMNTN/MAT SPT | 19,789 | 19,789 | --- |
| RDTE SHIP/AIRCFT SPT | 81,335 | 76,088 | -5,247 |
| TEST/EVAL SPT | 330,580 | 305,000 | -25,580 |
| OPER TEST/EVAL CAPABLTY | 6,853 | 6,853 | --- |
| WEATHER SERVICE | 1,000 | 1,000 | --- |
| DEF METEOR SATEL PROG | 49,040 | 39,040 | -10,000 |
| MANUFACTURING TECHNOLOGY | 31,319 | 31,319 | --- |
| TOTAL, DEFENSEWIDE MISSION SUPPORT | 808,355 | 580,592 | -127,763 |
| CONVENTIONAL DEFENSE INITIATIVES | | | |
| NATO COOPERATIVE | --- | 30,000 | +30,000 |
| SMALL ROTARY ENGINE, RPV | --- | 1,000 | +1,000 |
| TOTAL, CONVENTIONAL DEFENSE INITIATIVES | --- | 31,000 | +31,000 |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| GENERAL REDUCTION | --- | -10,000 | -10,000 |
| INTEGRATED PLATFORM COMM DEVEL | --- | 69,021 | +69,021 |
| PRIOR YEAR FUEL SAVINGS | --- | -72 | -72 |
| PRIOR YEAR FUEL SAVINGS (BY TRANSFER) | --- | (72) | (+72) |
| FY 87 FUEL SAVINGS | --- | -800 | -800 |
| COOPERATIVE DOD/VA MEDICAL RESEARCH | --- | 10,000 | +10,000 |
| FLOATING BEAM AVIONICS RACK | --- | 10,000 | +10,000 |
| V-22 ENGINE TECH | --- | 40,000 | +40,000 |
| RACER | --- | 8,200 | +8,200 |
| RACER (PRIOR YEAR TRANSFER) | --- | (11,800) | (+11,800) |
| TOTAL, RESEARCH DEVELOPMENT TEST + EVAL, NAVY | 10,586,800 | 8,640,727 | -1,946,073 |
| TRANSFER FROM OTHER ACCOUNTS | --- | (29,050) | (+29,050) |
| TOTAL FUNDING AVAILABLE | 10,586,800 | 8,669,777 | -1,917,023 |

# RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

| | |
|---|---|
| Appropriations, 1986 | [1] $13,718,208,000 |
| Adjusted Base, 1986 | [1] 13,046,016,000 |
| New Obligational Authority, 1987: | |
| Estimate | 17,275,400,000 |
| Recommended | 14,190,262,000 |
| Decrease | 3,085,138,000 |
| Total Recommended in the Bill | [2] 17,275,400,000 |

[1] And in addition, $316,886,000 in prior year unobligated balances transferred forward to fiscal year 1986.

[2] Includes $14,190,262,000 in new obligational authority and in addition $66,200,000 in prior year unobligated balances to be derived by transfer from "Research, Development, Test and Evaluation, Air Force, 1986/1987."

This appropriation funds the Research, Development, Test and Evaluation activities of the Air Force.

## AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with authorization action:

($000)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| RESEARCH DEVELOPMENT TEST + EVAL, AF | | | |
| AEROSPACE AVIONICS | 67,826 | 60,000 | -7,826 |
| INTEGRATED EW SYSTEM ADV DEVELOPMENT | 60,107 | --- | -60,107 |
| ADV AVIONICS FOR ACFT | 49,835 | 22,000 | -27,835 |
| ADV TURBINE ENGINE GAS GENERATOR | 27,838 | 25,838 | -2,000 |
| ADV FIGHTER TECH INTEGRATION | 30,679 | 25,000 | -5,679 |
| ADVANCED SYSTEM INTEGRATION DEMO | 9,369 | --- | -9,369 |
| ADVANCED SPACECRAFT TECH | 14,373 | 7,000 | -7,373 |
| SPACE SYS ENVIRON INTERACTIONS TECH | 8,529 | 3,529 | -5,000 |
| CRUISE MISSILE SURVEILLANCE TECH | 16,850 | 13,850 | -3,000 |
| MANPOWER & PERSONNEL SYS TECH | 2,370 | --- | -2,370 |
| ADVANCED COMMUNICATIONS TECHNOLOGY | 1,926 | --- | -1,926 |
| ADVANCED COMPUTER TECHNOLOGY | 10,491 | --- | -10,491 |
| ELECTRO-OPTICAL WARFARE | 53,363 | --- | -53,363 |
| CHEMICAL WARFARE DEFENSE | 5,149 | 4,949 | -200 |
| TRAINING SYSTEMS TECHNOLOGY | 2,411 | 1,411 | -1,000 |
| DOD SOFTWARE ENGINEERING INSTITUTE | 9,541 | 12,041 | +2,500 |
| COMD/CNTRL/COMM ADV DEV | 22,963 | 6,916 | -16,047 |
| SHORT RANGE ATTACK MISSILE II | 164,702 | --- | -164,702 |
| STRATEGIC RELOCATABLE TARGET CAPABIL | 985 | --- | -985 |
| AIR DEFENSE BATTLE MGT TECH | 2,500 | --- | -2,500 |
| CRUISE MISSILE ENGAG SYS TECH | 2,100 | --- | -2,100 |
| ATMOSPHERIC SURVEILANCE TECH | 32,024 | 4,000 | -28,024 |
| B-1B | 118,652 | 50,000 | -68,652 |
| COMMON STRATEGIC ROTARY LAUNCHER | 14,591 | 13,591 | -1,000 |
| ICBM MODERNIZATION | 2,116,798 | 1,575,498 | -541,300 |
| AIR LAUNCHED CRUISE MISSILE | 6,065 | 4,065 | -2,000 |
| SPACE DEFENSE SYS | 277,957 | 140,000 | -137,957 |
| MINUTEMAN SQUADRONS | 67,526 | 47,526 | -20,000 |
| PACCS/WWABNCP SYS EC-135 CL V MODS | 14,798 | 9,798 | -5,000 |
| SLBM RADAR WARNING SYSTEMS | 19,752 | 17,752 | -2,000 |
| MINIMUM ESSENTIAL EMER COMM NETWORK | 92,527 | 57,527 | -35,000 |
| MILSTAR SAT COMM SYS (AF TERMINALS) | 298,527 | 278,000 | -20,527 |
| MILITARY AIRLIFT GROUP (IF) | 8,963 | --- | -8,963 |
| ADVANCED STRATEGIC WEAPON | --- | 100,000 | +100,000 |
| ADVANCED TACTICAL FIGHTER | 294,099 | --- | -294,099 |
| CV-22A | 4,920 | --- | -4,920 |
| LOW COST SEEKER | 14,775 | 17,375 | +2,600 |
| MILLIMETER WAVE SEEKERS | 14,179 | --- | -14,179 |
| TECHNICAL ON-SITE INSPECTION (TOSI) | 9,850 | 6,850 | -3,000 |
| C3CM ADVANCED SYSTEMS | 4,512 | --- | -4,512 |
| ACFT AVIONICS EQUIPMENT DEVELOPMENT | 25,092 | 21,092 | -4,000 |
| ENGINE MODEL DERIVATIVE PROG | 68,132 | 62,132 | -6,000 |
| INTEGRATED DIGITAL AVIONICS | 13,394 | --- | -13,394 |
| EW COUNTER RESPONSE | 34,068 | --- | -34,068 |
| ALTERNATE FIGHTER ENGINE | 109,376 | 100,000 | -9,376 |
| INFRARED SEARCH & TRACK SYS | 34,846 | 30,846 | -4,000 |
| NIGHT PRECISION ATTACK | 40,103 | 10,000 | -30,103 |
| ADV SHORT RANGE AIR-TO-AIR MISSILE | 386 | --- | -386 |
| HARDENED TARGET MUNITIONS | 15,115 | --- | -15,115 |
| GRD LAUNCHED CRUISE MSL | 7,377 | --- | -7,377 |
| ARMAMENT ORDNANCE DEVELOPMENT | 29,773 | 14,338 | -15,435 |
| WIDE-AREA ANTI-ARMOR MUNITION | 15,102 | 39,102 | +24,000 |
| AIR BASE SURVIVABILITY & RECOVERY | 21,330 | 20,330 | -1,000 |
| LIFE SUPPORT SYSTEM | 12,396 | 15,396 | +3,000 |
| OTHER OPERATIONAL EQUIPMENT | 14,469 | 10,569 | -3,900 |
| TAC C3 COUNTER-MEASURES | 24,636 | --- | -24,636 |
| COMBAT IDENTIFICATION SYSTEMS | 12,012 | --- | -12,012 |

($000)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| SURFACE DEF SUPRESSION | 44,119 | --- | -44,119 |
| AIRBORNE SELF-PROTECTION JAMMER | 10,071 | --- | -10,071 |
| PROTECTIVE SYSTEMS | 92,705 | --- | -92,705 |
| TACTICAL PROTECTIVE SYSTEMS | 94,910 | --- | -94,910 |
| COMPUTER RESOURCES MGT TECH | 12,957 | 9.957 | -3,000 |
| PRECISION LOCATION STRIKE SYSTEM | 26,601 | 20,000 | -6,601 |
| JSTARS | 355,692 | --- | -355,692 |
| F-111 SQUADRONS | 35,236 | --- | -35,236 |
| F-15 SQUADRONS | 208,988 | --- | -208,988 |
| F-16 SQUADRONS | 81,323 | --- | -81,323 |
| F-4G WILD WEASEL SQUADRONS | 38,698 | --- | -38,698 |
| TACTICAL AGM MISSILES | 2,377 | --- | -2,377 |
| TR-1 SQUADRONS | 23,509 | 21,509 | -2,000 |
| FOLLOW-ON TAC RECCE SYS | 30,583 | 18,583 | -12,000 |
| OVERSEAS AIR WEAPON CONT SYS | 8,534 | 4.534 | -4,000 |
| AIR BORNE WARNING & CONTROL SYS | 137,190 | 77,190 | -60,000 |
| ADV COMM SYS | 33,335 | --- | -33,335 |
| BASE COMM - TACTICAL AIR FORCES | 3,207 | 1,207 | -2,000 |
| JT TACTICAL COMM PROG (TRI-TAC) | 11,425 | 8.425 | -3,000 |
| MAC COMMAND/CONTROL SYS | 22,712 | 10,712 | -12,000 |
| A-7 SQUADRONS (ANG) | 4.531 | --- | -4,531 |
| TACTICAL AIRCRAFT | --- | 450,000 | +450,000 |
| SPACE COMMUNICATIONS | 35,805 | 33,805 | -2,000 |
| DEF SATELLITE COMM SYS | 14,001 | 8,001 | -6,000 |
| TRAFFIC CNTRL/APPROACH/LANDING SYS | 18,575 | 6,039 | -12,536 |
| NAVSTAR GLOBAL POS SYS (USER EQ) | 45,024 | 23,000 | -22,024 |
| NAVSTAR GPS (SPACE/GRD SEGMENTS) | 44.362 | 24.362 | -20,000 |
| CONCEPT DEVELOPMENT | 3,214 | --- | -3.214 |
| SPACE TEST PROGRAM | 73,692 | 17,192 | -56,500 |
| SATELLITE SYS SURVIVABILITY | 5,405 | --- | -5,405 |
| NATO COOPERATIVE R&D | 49,249 | --- | -49,249 |
| FLIGHT SIMULATOR DEVELOPMENT | 102,736 | 74,599 | -28,137 |
| R&M MATURATION/TECH INSERTION | 18,031 | 13,031 | -5,000 |
| RANGE IMPROVEMENT | 64,616 | 61,616 | -3,000 |
| IMPROVED CAPABILITY FOR RDT+E | 89,518 | 69,518 | -20,000 |
| PROJECT AIR FORCE | 18,295 | 17,795 | -500 |
| RANCH HAND II EPIDEMIOLOGY STUDY | 7,384 | 3,384 | -4,000 |
| NAV/RADAR/SLED TRACK TEST SPT | 25,889 | 20,889 | -5,000 |
| ADV SYS ENGINEERING/PLAN | 23,144 | 10,000 | -13,144 |
| RDT&E AIRCRAFT SUPPORT | 62,404 | 57,404 | -5,000 |
| PRODUCTIVITY INVESTMENTS | 5,106 | 3,000 | -2,106 |
| PRODUCT PERFORMANCE AGMT CNTR(PPAC) | 1,157 | --- | -1,157 |
| SATELLITE CONTROL FACILITY | 91,714 | 76,714 | -15,000 |
| DEPOT MAINTENANCE (NON-IF) | 487 | --- | -487 |
| INDUSTRIAL PREPAREDNESS | 83,573 | 63,573 | -20,000 |
| PRODUCT/RELIABLE/AVAIL/MAINTAIN PROG | 31,405 | 15,000 | -16,405 |
| NATO COOPERATIVE R & D | --- | 30,000 | +30,000 |
| PRIOR YEAR FUEL SAVINGS | --- | -2,400 | -2,400 |
| FY 87 FUEL SAVINGS | --- | -26,800 | -26,800 |
| COOPERATIVE DOD/VA MEDICAL RESEARCH | --- | 15,000 | +15,000 |

## COMMITTEE RECOMMENDATIONS

### PROGRAM FUNDING ADJUSTMENTS

The budget request included amounts for some programs which exceeded by unjustifiably large percentages the amounts provided for fiscal year 1986. The Committee accordingly recommends the following reductions:

[In thousands of dollars]

| | Budget request | Committee recommended | Chagne from budget |
|---|---|---|---|
| In-House Lab Indep Res | $17,465 | $15,491 | −$1,974 |
| Defense Research Sciences | 212,587 | 199,584 | −13,003 |
| Geophysics | 40,625 | 38,174 | −2,451 |
| Materials | 57,478 | 51,541 | −5,937 |
| Aerospace Flight Dynamics | 70,281 | 66,562 | −3,719 |
| Aerospace Biotechnology | 53,371 | 46,604 | −6,767 |
| Aerospace Propulsion | 65,552 | 61,283 | −4,269 |
| Training/Simulation Tech | 26,802 | 24,626 | −2,176 |
| Rocket Propulsion | 41,890 | 38,791 | −3,099 |
| Advanced Weapons | 37,070 | 35,050 | −2,020 |
| Conventional Munitions | 49,884 | 39,919 | −9,965 |
| Command/Control/Commo | 79,678 | 75,838 | −3,840 |
| Pers Utilization Tech | 9,806 | 8,284 | −1,522 |
| Logistics Res & Dev Rqmts | 19,061 | 11,000 | −8,061 |
| Acft Prop Subsys Integ | 30,180 | 25,840 | −4,340 |
| Flt Vehicle Tech | 27,557 | 19,789 | −7,768 |
| Aviation Turbine Fuel Tech | 10,432 | 3,462 | −6,970 |
| Weapon System Power | 3,544 | 1,198 | −2,346 |
| Adv Simulator Tech | 5,054 | 4,374 | −680 |
| Lincoln Laboratory | 26,524 | 22,268 | −4,256 |
| Space & Msl Rocket Prop | 12,911 | 3,354 | −9,557 |
| Conventional Weapons | 30,903 | 24,124 | −6,779 |
| Weather Systems | 3,697 | 3,275 | −422 |
| Civil/Environ Engr Tech | 13,703 | 11,393 | −2,310 |
| Counter/Countermeasures Adv Dev | 7,612 | 6,159 | −1,453 |
| Acft Engine Comp Improv Prog | 141,776 | 114,486 | −27,290 |
| C/B Defense Equip | 27,187 | 23,342 | −3,845 |

### NCMC—SPACE DEFENSE SYSTEMS

The Air Force requested $41,284,000 for NCMC—Space Defense Systems. Included in that sum are funds to upgrade an existing ASAT Prototype Mission Operations Center to a fully operational ASAT Mission Control Center. In past years, the Committee has denied funds for that purpose because of schedule slippage and affordability problems in the ASAT program. Those conditions continue to prevail, causing the proposed upgrade to continue to be premature. The Committee recommends $26,284,000 for NCMC—Space Defense Systems, a reduction of $15,000,000 from the budget.

### INTEGRATED OPERATIONAL NUDET DETECTION SYSTEM (IONDS)

The Air Force requested $31,346,000 for RDT&E on the Integrated Operational NUDET Detection System (IONDS) program. This program consists of sensors on the Global Positioning System (GPS) satellites. Considering the slippage that is occurring in the GPS launch schedule as a result of the shuttle disaster, the Committee recommends a total of $26,346,000 for RDT&E on the IONDS program, a reduction of $5,000,000 from the budget request.

### ICBM SILO HARDENING

Last year, both the Committee and the Committee of Conference directed the Air Force to construct, test and evaluate a double-walled cofferdam constructed of reinforced slipform concrete. The Committee continues to believe that this concept is highly attractive as a potential method for protecting existing silos at modest cost and without disrupting operational readiness. To date, insufficient progress has been made, owing primarily to bureaucratic obfuscation and delay. The Committee directs rapid execution, and directs that all efforts be planned and controlled solely by the Air Force.

### LOW COST SEEKER

The Air Force requested $14,775,000 for Low Cost Seeker, a program authorized by the House Armed Services Committee at $17,375,000. As noted above in the RDT&E, Navy section of this report, the Committee continues to support strongly the Low Cost Seeker program, and consequently recommends the authorized amount of $17,375,000.

### C–17

Because of budgetary constraints, the Committee recommends $547,262,000 for C–17 development, a reduction of $65,000,000 from the budget request.

### WIDE AREA ANTI-ARMOR MUNITION

The Committee recommends the authorized amount of $39,102,000 for Wide Area Anti-Armor Munition, an increase of $24,000,000 over the budget request. $10,000,000 are provided to accelerate development of the Sensor Fused Weapon, and $14,000,000 are provided for the Extended Range Anti-armor Munition.

### PRECISION LOCATION STRIKE SYSTEM (PLSS)

The Precision Location Strike System is a Tactical Air Force system designed to locate enemy air defense emitters in near real time and to destroy them. The budget included a request of $26,601,000 for continued RDT&E on the PLSS program. The Committee recommends a funding level of $20,000,000, the authorized level. The Committee directs that the evaluation of the PLSS program be conducted jointly by the Air Force, the Office of Secretary of Defense and the National Security Agency.

### TACTICAL AIR CONTROL SYSTEM

The Committee recommends the budgeted amount of $19,261,000 for Tactical Air Control System, subject to authorization.

### ADVANCED COMMUNICATION SYSTEM

The Air Force requested $33,335,000 for Advanced Communication System. Formerly funded in this program was the Enhanced JTIDS System (EJS), which the Air Force has cancelled. Unobligated fiscal year 1986 EJS funds in the amount of $66,200,000 are available for other purposes. The Committee recommends no funds for Advanced Communication System and a general reduction of $32,865,000, for a total reduction of $66,200,000, offset by a transfer of fiscal year 1986 EJS funds.

### I–S/A AMPE SYSTEM

The Committee recommends the budgeted amount of $54,567,000 for I–S/A AMPE System, subject to authorization.

### CONSOLIDATED SPACE OPERATIONS CENTER

The Air Force requested $93,664,000 for the Consolidated Space Operations Center (CSOC). The CSOC consists of the Shuttle Operations and Planning Complex (SOPC) and the Satellite Operations Complex (SOC). These facilities are planned to be sophisticated combinations of computer hardware, software and telecommunications to provide planning and control for classified and special military mission space shuttle flights and to provide on-orbit control of national security space assets.

The Committee is concerned about DoD's current development approach and acquisition strategy for this $1.4 billion program. The CSOC was originally justified on the need for significantly improved capabilities for numerous future missions. DoD has recently scaled back its plan to an "austere" design-to-budget approach. In the wake of the tragic shuttle accident, and in view of the implications of the President's Strategic Defense Initiative, the Committee is concerned about how well DoD's currently planned SOPC will be able to cost-effectively address the needs of the 1990's.

The Committee is also advised that the Data Systems Modernization program for the Air Force Satellite Control Facility has experienced significant performance problems, cost growth, and schedule slippage. These have impacted both the CSOC budget and the current plans for an "austere" SOC. The Committee is concerned whether the currently planned SOC can cost-effectively provide adequate capabilities and back-up to the Satellite Control Facility for essential national security missions.

The Committee intends to direct that GAO perform an overall assessment of current CSOC plans and supporting studies to assess the flexibility of the plans to address future needs and policy options, the risks of Air Force's current technical approaches to developing both the SOPC and the SOC, and the extent to which the "austere" SOPC and SOC will be able to fulfill the national security requirements. The initial results of GAO's assessment are to be received by April 1987. The Committee expects the full cooperation of DoD with this GAO study. In view of the foregoing, the Committee recommends $83,664,000 for Consolidated Space Operations Center, a reduction of $10,000,000 from the budget request.

## SPACE SHUTTLE OPERATIONS

The Air Force budgeted $175,867,000 for Space Shuttle operations in fiscal year 1987. The Committee recommends a reduction of $32,900,000 related to recoupment of excess reimbursements to NASA, as explained in the Operation and Maintenance section of this report. The Committee also recommends a reduction of $35,000,000 due to decreased Shuttle activity resulting from the tragic Challenger accident. In total, the Committee recommends $107,967,000, a reduction of $67,900,000.

## CLASSIFIED PROGRAMS

The Committee recommends reductions of $23,785,000 in classified programs for reasons explained in the classified annex to this report, and in a classified letter to the Secretary of Defense.

## A-7 STRIKE FIGHTER

The Committee recommends $35,000,000 above the budget for the A-7 Strike Fighter, subject to authorization.

## ACQUISITION AND COMMAND SUPPORT

## TEST AND EVALUATION SUPPORT

## REAL PROPERTY MAINTENANCE

## BASE OPERATIONS

Until this year, Air Force funded the administration, operation and maintenance of its laboratories and test ranges in two accounts. The total funding for fiscal year 1986, after Gramm-Rudman reductions, was $739,070,000.

This year, the same functions are now funded in four accounts, budgeted for fiscal year 1987 at $839,790,000, for a 13.6 percent increase. The Committee finds so large an increase to be unjustified, and recommends a real growth of 5 percent, over the adjusted fiscal year 1986 funding. A pro rata allocation of the resulting reduction is as follows:

[In thousands of dollars]

| | Fiscal year 1987 budget | Committee recommended | Change from budget |
|---|---|---|---|
| Program: | | | |
| Acquisition and command support | 285,063 | 269,940 | −15,123 |
| Test and evaluation support | 304,151 | 288,015 | −16,136 |
| Real property maintenance | 140,310 | 132,866 | −7,444 |
| Base operations | 110,268 | 104,418 | −5,850 |
| Total | 839,792 | 795,239 | −44,553 |

The amount recommended for Test and Evaluation Support is subject to authorization.

## PROGRAM SUMMARY

The following schedule shows the budget estimate, the recommended appropriation, and the change from the budget estimate for fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

|  | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| RESEARCH DEVELOPMENT TEST + EVAL, AF |  |  |  |
| TECHNOLOGY BASE |  |  |  |
| IN-HOUSE LAB INDEPENDENT RESEARCH | 17,465 | 15,491 | -1,974 |
| DEFENSE RESEARCH SCIENCES | 212,587 | 199,584 | -13,003 |
| UNIVERSITY RESEARCH INITIATIVES | 12,530 | 12,530 | --- |
| GEOPHYSICS | 40,625 | 38,174 | -2,451 |
| MATERIALS | 57,478 | 51,541 | -5,937 |
| AEROSPACE FLIGHT DYNAMICS | 70,281 | 66,562 | -3,719 |
| AEROSPACE BIOTECHNOLOGY | 53,371 | 46,604 | -6,767 |
| AEROSPACE PROPULSION | 65,552 | 61,283 | -4,269 |
| AEROSPACE AVIONICS | 67,826 | 60,000 | -7,826 |
| TRAINING/SIMULATION TECH | 26,802 | 24,626 | -2,176 |
| CIVIL ENGINEERING & ENVIRONMENTAL QA | 5,425 | 5,425 | --- |
| ROCKET PROPULSION | 41,890 | 38,791 | -3,099 |
| ADVANCED WEAPONS | 37,070 | 35,050 | -2,020 |
| CONVENTIONAL MUNITIONS | 49,884 | 39,919 | -9,965 |
| COMMAND/CONTROL/COMMUNICATION | 79,678 | 75,838 | -3,840 |
| PERS UTILIZATION TECH | 9,806 | 8,284 | -1,522 |
| TOTAL, TECHNOLOGY BASE | 848,270 | 779,702 | -68,568 |
| ADVANCE TECHNOLOGY DEVELOPMENT |  |  |  |
| LOGISTICS RESEARCH & DEV RQMTS | 19,061 | 11,000 | -8,061 |
| INTEGRATED EW SYSTEM ADV DEVELOPMENT | 60,107 | --- | -60,107 |
| ACFT PROPULSION SUBSYS INTEGRATION | 30,180 | 25,840 | -4,340 |
| ADV AVIONICS FOR ACFT | 49,835 | 22,000 | -27,835 |
| FLT VEHICLE TECHNOLOGY | 27,557 | 19,789 | -7,768 |
| RECON SENSORS/PROCESSING TECHNOLOGY | 6,064 | 6,064 | --- |
| AEROSPACE STRUCTURES/MATERIALS | 31,512 | 27,000 | -4,512 |
| AVIATION TURBINE FUEL TECHNOLOGY | 10,432 | 3,462 | -6,970 |
| ADV TURBINE ENGINE GAS GENERATOR | 27,838 | 25,838 | -2,000 |
| WEAPON SYSTEM POWER | 3,544 | 1,198 | -2,346 |
| DOD COMMON PROG LANGUAGE(ADA)ADV DEV | 6,890 | 6,890 | --- |
| ADVANCED SIMULATOR TECHNOLOGY | 5,054 | 4,374 | -680 |
| CREW SYSTEMS TECHNOLOGY | 15,905 | 15,905 | --- |
| ACFT NON-NUCLEAR SURVIVABILITY | 2,470 | 2,470 | --- |
| ADV FIGHTER TECH INTEGRATION | 30,679 | 25,000 | -5,679 |
| LINCOLN LABORATORY | 26,524 | 22,268 | -4,256 |
| ADVANCED SYSTEM INTEGRATION DEMO | 9,369 | --- | -9,369 |
| CARTOG APPLICATIONS-TAC & STRAT SYS | 1,706 | 1,706 | --- |
| NATIONAL AEROSPACE PLANE TECHNOLOGY | 33,490 | --- | -33,490 |
| SPACE & MSL ROCKET PROPULSION | 12,911 | 3,354 | -9,557 |
| HYPERVELOCITY MISSILE | 9,609 | 9,609 | --- |
| ADVANCED SPACECRAFT TECH | 14,373 | 7,000 | -7,373 |
| SPACE SYS ENVIRON INTERACTIONS TECH | 8,529 | 3,529 | -5,000 |
| CRUISE MISSILE SURVEILLANCE TECH | 16,850 | 13,850 | -3,000 |
| VERY HIGH SPEED INTEGRATED CIRCUITS | 132,897 | 132,897 | --- |
| CONVENTIONAL WEAPONS | 30,903 | 24,124 | -6,779 |
| ADVANCED RADIATION TECH | 23,641 | 23,641 | --- |
| MANPOWER & PERSONNEL SYS TECH | 2,370 | --- | -2,370 |
| WEATHER SYSTEMS | 3,697 | 3,275 | -422 |
| CIVIL/ENVIRONMENTAL ENGR TECH | 13,703 | 11,393 | -2,310 |
| FIBER OPTICS DEVLOPMENT | 2,841 | 2,841 | --- |
| ADVANCED COMMUNICATIONS TECHNOLOGY | 1,926 | --- | -1,926 |
| ADVANCED COMPUTER TECHNOLOGY | 10,491 | --- | -10,491 |
| ELECTRO-OPTICAL WARFARE | 53,363 | --- | -53,363 |
| CHEMICAL WARFARE DEFENSE | 5,149 | 4,949 | -200 |
| COUNTER/COUNTERMEASURES -ADV DEV | 7,612 | 6,159 | -1,453 |
| TRAINING SYSTEMS TECHNOLOGY | 2,411 | 1,411 | -1,000 |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| DOD SOFTWARE ENGINEERING INSTITUTE | 9,541 | 12,041 | +2,500 |
| COMD/CNTRL/COMM ADV DEV | 22,963 | 6,916 | -16,047 |
| TOTAL, ADVANCE TECHNOLOGY DEVELOPMENT | 783,997 | 487,793 | -296,204 |
| STRATEGIC PROGRAMS | | | |
| ADVANCED STRATEGIC MISSILE SYSTEMS | 176,915 | 125,000 | -51,915 |
| SHORT RANGE ATTACK MISSILE II | 164,702 | --- | -164,702 |
| STRATEGIC RELOCATABLE TARGET CAPABIL | 985 | --- | -985 |
| AIR DEFENSE BATTLE MGT TECH | 2,500 | --- | -2,500 |
| CRUISE MISSILE ENGAG SYS TECH | 2,100 | --- | -2,100 |
| ATMOSPHERIC SURVEILANCE TECH | 32,024 | 4,000 | -28,024 |
| WWMCCS ARCHITECTURE | 2,224 | 2,224 | --- |
| B-1B | 118,652 | 50,000 | -68,652 |
| COMMON STRATEGIC ROTARY LAUNCHER | 14,591 | 13,591 | -1,000 |
| ICBM MODERNIZATION | 2,116,798 | 1,575,498 | -541,300 |
| STRAT CONV STANDOFF CAPA(SCSC) | 7,464 | 7,464 | --- |
| AIR LAUNCHED CRUISE MISSILE | 6,065 | 4,065 | -2,000 |
| SPACE DEFENSE SYS | 277,957 | 140,000 | -137,957 |
| SYSTEMS SURVIVABILITY (NUC AFFECTS) | 13,515 | 13,515 | --- |
| KC-135 SQUADRONS | 3,941 | --- | -3,941 |
| MINUTEMAN SQUADRONS | 67,526 | 47,526 | -20,000 |
| PACCS/WWABNCP SYS EC-135 CL V MODS | 14,798 | 9,798 | -5,000 |
| SAC COMMUNICATIONS | 610 | 610 | --- |
| NCMC - TW/AA SYSTEMS | 32,935 | 32,935 | --- |
| NCMC - SPACE DEFENSE SYSTEMS | 41,284 | 26,284 | -15,000 |
| BALLISTIC MSL TAC WNG/ATK ASSES SYS | 3,084 | 3,084 | --- |
| JOINT SURVEILLANCE SYSTEM | 3,509 | 3,509 | --- |
| SURVEILL RADAR STATIONS/SITES | 25,004 | 25,004 | --- |
| DEW RADAR STATIONS | 14,430 | 14,430 | --- |
| OVER-THE-HORIZON RADAR | 33,877 | 33,877 | --- |
| BALLISTIC MSL EARLY WNG SYSTEM | 16,225 | 16,225 | --- |
| SPACETRACK | 16,461 | 16,461 | --- |
| DEFENSE SUPPORT PROGRAM | 138,178 | 118,178 | -20,000 |
| SLBM RADAR WARNING SYSTEMS | 19,752 | 17,752 | -2,000 |
| INTEGRATED OPER NUDETS DETECT SYS | 31,346 | 26,346 | -5,000 |
| COMD CTR PROCESS/DISPLAY SYS | 27,027 | 27,027 | --- |
| MINIMUM ESSENTIAL EMER COMM NETWORK | 92,527 | 57,527 | -35,000 |
| WWMCCS INFORMATION SYSTEM | 8,510 | 8,510 | --- |
| WWMCCS INFORMATION SYSTEM - JPMO | 111,374 | 111,374 | --- |
| MILSTAR SAT COMM SYS (AF TERMINALS) | 298,527 | 278,000 | -20,527 |
| MILSTAR COMM SAT SYSTEM | 493,357 | 493,357 | --- |
| CLASSIFIED PROGRAMS | 2,636,868 | 2,486,997 | -149,871 |
| MILITARY AIRLIFT GROUP (IF) | 8,963 | --- | -8,963 |
| ADVANCED STRATEGIC WEAPON | --- | 100,000 | +100,000 |
| TOTAL, STRATEGIC PROGRAMS | 7,076,605 | 5,890,168 | -1,186,437 |
| TACTICAL PROGRAMS | | | |
| ADVANCED TACTICAL FIGHTER | 294,099 | --- | -294,099 |
| UNMANNED AIR RECONNAISSANCE VEHICLE | 3,940 | 3,940 | --- |
| CV-22A | 4,920 | --- | -4,920 |
| AIR BASE SURVIVABILITY & RECOVERY | 7,078 | 7,078 | --- |
| LOW COST SEEKER | 14,775 | 17,375 | +2,600 |
| MILLIMETER WAVE SEEKERS | 14,179 | --- | -14,179 |
| DOD PHYSICAL SECURITY EQ-EXTERIOR | 984 | 984 | --- |
| TECHNICAL ON-SITE INSPECTION (TOSI) | 9,850 | 6,850 | -3,000 |
| COMBAT IDENTIFICATION TECHNOLOGY | 6,314 | 6,314 | --- |
| C3CM ADVANCED SYSTEMS | 4,512 | --- | -4,512 |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| ACFT AVIONICS EQUIPMENT DEVELOPMENT | 25,092 | 21,092 | -4,000 |
| AIRCRAFT EQUIPMENT DEV | 4,862 | 4,862 | --- |
| ENGINE MODEL DERIVATIVE PROG | 68,132 | 62,132 | -6,000 |
| INTEGRATED DIGITAL AVIONICS | 13,394 | --- | -13,394 |
| EW COUNTER RESPONSE | 34,068 | --- | -34,068 |
| NUCLEAR WEAPONS SUPPORT | 4,341 | 4,341 | --- |
| ALTERNATE FIGHTER ENGINE | 109,376 | 100,000 | -9,376 |
| C-17 PROGRAM | 612,262 | 547,262 | -65,000 |
| INFRARED SEARCH & TRACK SYS | 34,846 | 30,846 | -4,000 |
| MODULAR AUTOMATIC TEST EQUIPMENT | 23,682 | 23,682 | --- |
| NIGHT PRECISION ATTACK | 40,103 | 10,000 | -30,103 |
| ACFT ENGINE COMPONENT IMPROVE PROG | 141,776 | 114,486 | -27,290 |
| T-46A | 10,756 | 10,756 | --- |
| ADV MED RANGE AIR-TO-AIR MSL | 39,080 | 39,080 | --- |
| ADV SHORT RANGE AIR-TO-AIR MISSILE | 386 | --- | -386 |
| JOINT TACTICAL FUSION PROGRAM | 24,661 | 24,661 | --- |
| HARDENED TARGET MUNITIONS | 15,115 | --- | -15,115 |
| GRD LAUNCHED CRUISE MSL | 7,377 | --- | -7,377 |
| C/B DEFENSE EQUIPMENT | 27,187 | 23,342 | -3,845 |
| ARMAMENT ORDNANCE DEVELOPMENT | 29,773 | 14,338 | -15,435 |
| SUBMUNITIONS | 4,921 | 4,921 | --- |
| WIDE-AREA ANTI-ARMOR MUNITION | 15,102 | 39,102 | +24,000 |
| AIR BASE SURVIVABILITY & RECOVERY | 21,330 | 20,330 | -1,000 |
| AEROMEDICAL SYSTEMS DEVELOPMENT | 9,341 | 9,341 | --- |
| LIFE SUPPORT SYSTEM | 12,396 | 15,396 | +3,000 |
| OTHER OPERATIONAL EQUIPMENT | 14,469 | 10,569 | -3,900 |
| RECONNAISSANCE EQUIPMENT | 9,540 | 9,540 | --- |
| DOD PHYSICAL SECURITY EQ-EXTERIOR | 18,511 | 18,511 | --- |
| TAC C3 COUNTER-MEASURES | 24,636 | --- | -24,636 |
| COMBAT IDENTIFICATION SYSTEMS | 12,012 | --- | -12,012 |
| SURFACE DEF SUPRESSION | 44,119 | --- | -44,119 |
| AIRBORNE SELF-PROTECTION JAMMER | 10,071 | --- | -10,071 |
| PROTECTIVE SYSTEMS | 92,705 | --- | -92,705 |
| TACTICAL PROTECTIVE SYSTEMS | 94,910 | --- | -94,910 |
| COMPUTER RESOURCES MGT TECH | 12,957 | 9,957 | -3,000 |
| PRECISION LOCATION STRIKE SYSTEM | 26,601 | 20,000 | -6,601 |
| INTELLIGENCE EQUIPMENT | 10,417 | 10,417 | --- |
| SIDE LOOKING AIRBORNE RADAR (SLAR) | 19,691 | 19,691 | --- |
| JSTARS | 355,692 | --- | -355,692 |
| JT INTEROPERABILITY TAC COMD/CNTRL | 9,866 | 9,866 | --- |
| F-111 SQUADRONS | 35,236 | --- | -35,236 |
| F-15 SQUADRONS | 208,988 | --- | -208,988 |
| F-16 SQUADRONS | 81,323 | --- | -81,323 |
| F-4G WILD WEASEL SQUADRONS | 38,698 | --- | -38,698 |
| TACTICAL AGM MISSILES | 2,377 | --- | -2,377 |
| TR-1 SQUADRONS | 23,509 | 21,509 | -2,000 |
| FOLLOW-ON TAC RECCE SYS | 30,583 | 18,583 | -12,000 |
| AIR FORCE TENCAP | 105 | 105 | --- |
| OVERSEAS AIR WEAPON CONT SYS | 8,534 | 4,534 | -4,000 |
| TACTICAL AIR CONTROL SYSTEM | 19,261 | 19,261 | --- |
| AIR BORNE WARNING & CONTROL SYS | 137,190 | 77,190 | -60,000 |
| ADV COMM SYS | 33,335 | --- | -33,335 |
| ADV COMM SYS, GENERAL REDUCTION | --- | -32,865 | -32,865 |
| ADV COMM SYS, GENERAL REDUCTION (BY TRANSFER) | --- | (66,200) | (+66,200) |
| TAC AIR INTELL SYS ACTYS | 492 | 492 | --- |
| TACTICAL RECON IMAGERY EXPLOITATION | 831 | 831 | --- |
| BASE COMM - TACTICAL AIR FORCES | 3,207 | 1,207 | -2,000 |
| JT TACTICAL COMM PROG (TRI-TAC) | 11,425 | 8,425 | -3,000 |
| SATELLITE COMMUNICATIONS TERMINALS | 4,615 | 4,615 | --- |
| ELECTRONIC COMBAT INTEL SPT | 1,784 | 1,784 | --- |
| MAC COMMAND/CONTROL SYS | 22,712 | 10,712 | -12,000 |
| SPECIAL OPERATIONS FORCES | 66,539 | 66,539 | --- |
| A-7 SQUADRONS (ANG) | 4,531 | --- | -4,531 |
| CLASSIFIED PROGRAMS | 723,023 | 825,649 | +102,626 |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| TACTICAL AIRCRAFT | --- | 450,000 | +450,000 |
| A-7 STRIKEFIGHTER | --- | 35,000 | +35,000 |
| TOTAL, TACTICAL PROGRAMS | 3,904,505 | 2,784,633 | -1,119,872 |
| INTELLIGENCE & COMMUNICATIONS | | | |
| INTELLIGENCE ADVANCED DEVELOPMENT | 6,081 | 6,081 | --- |
| SPACE COMMUNICATIONS | 35,805 | 33,805 | -2,000 |
| NMCS-WIDE SUPPORT-COMMUNICATIONS | 1,970 | 1,970 | --- |
| DEF SATELLITE COMM SYS | 14,001 | 8,001 | -6,000 |
| LONG-HAUL COMMUNICATIONS (DCS) | 5,630 | 5,630 | --- |
| I-S/A AMPE SYSTEM | 54,567 | 54,567 | --- |
| ELECTROMAG COMPATIBILITY ANAL CTR | 7,670 | 7,670 | --- |
| TRAFFIC CNTRL/APPROACH/LANDING SYS | 18,575 | 6,039 | -12,536 |
| NAVSTAR GLOBAL POS SYS (USER EQ) | 45,024 | 23,000 | -22,024 |
| NAVSTAR GPS (SPACE/GRD SEGMENTS) | 44,362 | 24,362 | -20,000 |
| GEN INTELLIGENCE SKILL TNG | 4,788 | 4,788 | --- |
| CLASSIFIED PROGRAMS | 2,302,268 | 2,325,728 | +23,460 |
| TOTAL, INTELLIGENCE & COMMUNICATIONS | 2,540,741 | 2,501,641 | -39,100 |
| DEFENSEWIDE MISSION SUPPORT | | | |
| CONCEPT DEVELOPMENT | 3,214 | --- | -3,214 |
| SPACE TEST PROGRAM | 73,692 | 17,192 | -56,500 |
| SATELLITE SYS SURVIVABILITY | 5,405 | --- | -5,405 |
| NATO COOPERATIVE R&D | 49,249 | --- | -49,249 |
| ADV AERIAL TARGETS DEV | 11,149 | 11,149 | --- |
| FLIGHT SIMULATOR DEVELOPMENT | 102,736 | 74,599 | -28,137 |
| VARIABLE IN-FLT TEST ACFT (VISTA) | 8,680 | 8,680 | --- |
| R&M MATURATION/TECH INSERTION | 18,031 | 13,031 | -5,000 |
| WEATHER SYSTEMS | 8,444 | 8,444 | --- |
| RANGE IMPROVEMENT | 64,616 | 61,616 | -3,000 |
| ELECTROMAG RADIATION TEST FACIL | 5,686 | 5,686 | --- |
| IMPROVED CAPABILITY FOR RDT+E | 89,518 | 69,518 | -20,000 |
| PROJECT AIR FORCE | 18,295 | 17,795 | -500 |
| ACQ/COMD SPT - TELECOM | 10,987 | 10,987 | --- |
| RANCH HAND II EPIDEMIOLOGY STUDY | 7,384 | 3,384 | -4,000 |
| NAV/RADAR/SLED TRACK TEST SPT | 25,889 | 20,889 | -5,000 |
| ACQUISITION AND COMMAND SUPPORT | 285,063 | 269,940 | -15,123 |
| TEST AND EVALUATION SPT | 304,151 | 288,015 | -16,136 |
| ADV SYS ENGINEERING/PLAN | 23,144 | 10,000 | -13,144 |
| RDT&E AIRCRAFT SUPPORT | 62,404 | 57,404 | -5,000 |
| PRODUCTIVITY INVESTMENTS | 5,106 | 3,000 | -2,106 |
| PRODUCT PERFORMANCE AGMT CNTR(PPAC) | 1,157 | --- | -1,157 |
| REAL PROPERTY MAINT -RDT+E | 140,310 | 132,866 | -7,444 |
| BASE OPERATIONS (RDT+E) | 110,268 | 104,418 | -5,850 |
| SATELLITE CONTROL FACILITY | 91,714 | 76,714 | -15,000 |
| SPACE BOOSTERS | 138,690 | 138,690 | --- |
| CONSOLIDATED SPACE OPERATIONS CENTER | 93,664 | 83,664 | -10,000 |
| DEF METEOROLOGICAL SATELLITE PROG | 63,772 | 63,772 | --- |
| SPACE SHUTTLE OPERATIONS | 175,867 | 107,967 | -67,900 |
| INVENTORY CONTROL POINT OPERATIONS | 4,788 | 4,788 | --- |
| DEPOT MAINTENANCE (NON-IF) | 487 | --- | -487 |
| INDUSTRIAL PREPAREDNESS | 83,573 | 63,573 | -20,000 |
| PRODUCT/RELIABLE/AVAIL/MAINTAIN PROG | 31,405 | 15,000 | -16,405 |
| INTERNATIONAL ACTIVITIES | 2,744 | 2,744 | --- |
| TOTAL, DEFENSEWIDE MISSION SUPPORT | 2,121,282 | 1,745,525 | -375,757 |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| CONVENTIONAL DEFENSF INITIATIVE | | | |
| NATO COOPERATIVE R & D | --- | 30,000 | +30,000 |
| TOTAL, CONVENTIONAL DEFENSE INITIATIVE | --- | 30,000 | +30,000 |
| GENERAL REDUCTION | --- | -15,000 | -15,000 |
| PRIOR YEAR FUEL SAVINGS | --- | -2,400 | -2,400 |
| FY 87 FUEL SAVINGS | --- | -26,800 | -26,800 |
| COOPERATIVE DOD/VA MEDICAL RESEARCH | --- | 15,000 | +15,000 |
| TOTAL, RESEARCH DEVELOPMENT TEST + EVAL, AF | 17,275,400 | 14,190,262 | -3,085,138 |
| TRANSFER FROM OTHER ACCOUNTS | --- | (66,200) | (+66,200) |
| TOTAL FUNDING AVAILABLE | 17,275,400 | 14,256,462 | -3,018,938 |

# RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE AGENCIES

| | |
|---|---|
| Appropriations, 1986 | $6,637,386,000 |
| Adjusted Base, 1986 | 6,312,154,000 |
| New Obligational Authority, 1987: | |
| Estimate | 8,364,300,000 |
| Recommended | 6,577,588,000 |
| Decrease | 1,789,712,000 |
| Total Recommended in the Bill | [1] 6,604,088,000 |

[1] This includes $6,577,588,000 in new obligational authority and in addition $26,500,000 in prior year unobligated balances to be derived by transfer from "Research, Development, Test and Evaluation, Defense Agencies, 1986/1987."

This appropriation funds the Research, Development, Test and Evaluation activities of the Defense Agencies.

## AUTHORIZATION CHANGES

The Committee recommends the following changes in the budget estimate, in accordance with authorization action:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from budget |
|---|---|---|---|
| Strategic Technology | 240,620 | 230,620 | −10,000 |
| Integrated Comd/Control Tech | 56,500 | 49,000 | −7,500 |
| Surveillance, Acqsn, Track and Kill Assessment | 1,262,413 | 844,413 | −418,000 |
| Directed Energy Weapons | 1,614,955 | 1,056,955 | −558,000 |
| Kinetic Energy Weapons | 991,214 | 620,214 | −371,000 |
| Systems Concepts and Battle Management | 462,206 | 268,206 | −194,000 |
| Survivability, Lethality and Key Spt Technology | 454,367 | 295,367 | −159,000 |
| Joint DOD-DOE Munitions Tech Dev | 8,803 | 7,803 | −1,000 |
| Command and Control Research | 2,062 | 1,813 | −249 |
| C3 Interoperability (Joint Tactical C3 Agcy) | 68,835 | 61,835 | −7,000 |
| Management Headquarters (JTC3A) | 8,816 | 8,000 | −816 |
| ASD/C3I | | 488,857 | +488,857 |
| NATO Research and Development | 49,436 | 44,436 | −5,000 |
| General Support for PA/E | 3,912 | 2,412 | −1,500 |
| General Support for Net Assessment | 4,415 | 3,815 | −600 |
| General Support for FM&P | 2,049 | 1,749 | −300 |
| Critical Technology | 3,474 | 2,874 | −600 |
| Rand Research Center for OSD and OJCS | 16,717 | 14,117 | −2,600 |
| CINC Contract Studies Support | 5,000 | | −5,000 |
| General Support to C3I | 3,164 | 2,164 | −1,000 |
| General Support for A&L | 3,263 | 2,363 | −900 |
| Critical Technology Analysis | 3,000 | 2,300 | −700 |
| Defense Technical Info Center | 22,500 | 20,500 | −2,000 |

## COMMITTEE RECOMMENDATIONS

### PROGRAM FUNDING ADJUSTMENTS

The budget request included amounts for some programs which exceeded by unjustifiably large percentages the amounts provided for fiscal year 1986. The Committee accordingly recommends the following reductions:

[In thousands of dollars]

| | Budget request | Committee recommended | Change from budget |
|---|---|---|---|
| Defense Research Sciences | $95,900 | $92,000 | −$3,900 |
| Technology Base | 1,930 | 1,030 | −900 |
| Tech Spt to USDRE | 20,617 | 16,600 | −4,017 |
| Support to Policy | 6,931 | 5,556 | −1,375 |
| Info Analysis Centers | 7,550 | 5,000 | −2,550 |
| Mgmt Headquarters SDI | 17,411 | 15,000 | −2,411 |
| Industrial Preparedness | 11,500 | 6,000 | −5,500 |

## Strategic Technology

### LONG-RANGE INTERCEPTOR EXPERIMENT

The Committee recommends $230,620,000 for DARPA's Strategic Technology program, which is the authorized funding level. Of the recommended amount, $20,000,000 is available only for the Long-Range Interceptor Experiment (LORAINE) project, which is also to include support of SWERVE technology development. The Committee agrees with DARPA that LORAINE/SWERVE technology is exactly the type of high-risk, high-payoff effort that is central to the agency's mission. The Air Force and Navy have expressed increasing interest in this program since the successful SWERVE III flight test in April 1985. In addition, LORAINE technology offers significant spinoffs for both the National Aerospace Plane and Strategic Defense Initiative programs. The Committee strongly supports the LORAINE project, and directs DARPA to submit future budget requests for LORAINE which are no less than the amounts presented in testimony before the Committee during consideration of the fiscal year 1987 budget.

### MATERIALS PROCESSING TECHNOLOGY

Among the activities funded in this account is the study and development of tungsten heavy alloy for use as an advanced kinetic energy penetrator. This effort could significantly advance the application of unique materials processing in the development of kinetic energy rounds. The Committee directs that DARPA refrain from any reprogramming of prior year funds for this activity, and directs that the fiscal year 1987 program be carried out at the funding level stated in the President's budget, which is $750,000.

### TACTICAL TECHNOLOGY

The Committee recommends $94,000,000 for the Tactical Technology program, a reduction of $20,000,000. The recommendation would provide an increase in funding of 45 percent for the armor/anti-armor project instead of the proposed increase of 93 percent.

### NUCLEAR MONITORING

Two experiments of new monitoring methods were to take place from the space shuttle in fiscal year 1986. Due to the delay in the Space Shuttle program, these launch support funds are no longer needed in 1986 and are available for transfer to offset the fiscal year 1987 budget request.

### DEFENSE NUCLEAR AGENCY

The Defense Nuclear Agency (DNA) requested $347,013,000 for fiscal year 1987. The Committee recommends $262,113,000, a reduction of $84,900,000. The recommendation would reduce funding for a classified program, indirect costs, and intelligence studies, and delete funding for the Physical Security and Remote Classified Computing projects.

The Committee continues to believe that the increasing growth in DNA activities which are not directly related to its core mission of nuclear weapons effects testing and analysis has hampered the work in that area by draining scarce budget resources. Furthermore, some of the proposed funding is not substantiated by adequate data, and some activities have resulted in little value to the agencies which DNA serves. Funding for Physical Security and Remote Classified Computing is deleted for these reasons. The Committee believes that exploratory development in physical security would be more effectively carried out by the individual services. In the case of intelligence studies, the Committee believes that DNA is ineffectively managing this program, leading to some duplicative studies and others which are completed too late to be of value. This situation has existed for several years with little or no improvement. Therefore, the Committee recommends a 50 percent reduction in funding for DNA intelligence related studies, and directs that DNA discontinue their management of this work in fiscal year 1988. DNA requested a 26 percent increase in indirect costs for fiscal year 1987. While the Committee supports some increase in this area, budget constraints dictate a smaller rate of growth.

Consistent with these reductions, the Committee directs the Department of Defense to take the following actions, effective with the fiscal year 1988 budget: (1) place a higher funding priority on nuclear test (to include simulation) programs, as a proportion of the overall DNA budget; (2) discontinue DNA funding for physical security activities, and direct the inclusion of such activities in the services' budgets; (3) discontinue DNA funding for intelligence studies, and direct the Intelligence Community to evaluate their needs for such studies and include such funds in their 1988 budget.

### STRATEGIC DEFENSE INITIATIVE

The Department of Defense requested $4,802,566,000 for the Strategic Defense Initiative (SDI) in fiscal year 1987. The Committee recommends $2,846,000,000, which is the authorized funding level. This represents an increase of 3 percent over the level provided for fiscal year 1986.

### SDI ANNUAL REPORT TO THE CONGRESS

Public Law 98-525, which authorizes DoD appropriations for fiscal year 1985, requires the submission to the Congress of an annual report on the SDI program. This report includes funding details for each SDI program, project, and task, and is required no later than March 15 of each year. This report has become highly significant, since it involves first notification to the Congress of program restructures resulting from funding reductions.

This year, the first (classified) version of the report was received by the Committee on May 6, over *six weeks* past the deadline mandated in P.L. 98-525, and one week after the Committee's hearing on SDI's proposed fiscal year 1987 budget. The Committee finds this totally unacceptable, and to ensure that the deadline is met for fiscal year 1988, the Committee directs that no more than $7,500,000 may be obligated or expended for SDIO headquarters management activities until the classified version of the 1987 annual report is received by the Committee.

### SDI FUNDING FOR NON-RESEARCH ACTIVITIES

The Committee believes that SDIO has programmed significant funding for items which offer little payoff to the research goals of the program, or which could more appropriately be funded in other accounts. SDIO should reconsider the priority of these activities in light of the sharp budget reductions authorized for fiscal year 1987, with the goal of receiving the highest *research* payoff from limited funding. These activities are described below.

#### SDIO PUBLIC AFFAIRS OFFICE

The SDI Organization (SDIO) is currently using RDT&E funds to finance the SDIO Public Affairs Office, which was created in March 1985. The Committee believes this to be inappropriate, since all other Public Affairs offices in DoD utilize either Military Personnel or Operations and Maintenance appropriations for this purpose, and since the planned use of funds does not involve any RDT&E activity. Secondly, DoD has over 1,000 staff in public affairs offices exclusive of SDIO, and their work responsibilities could include SDI matters. Since most SDI activity is conducted by the individual services, a separate and additional SDIO Public Affairs office seems unnecessary. Furthermore, Congressional budget reductions in fiscal year 1987 will require SDIO to fund *only* the highest priority efforts.

For these reasons, the Committee directs that no further funding, in *any* appropriations account for *any* fiscal year, be used for the SDIO Public Affairs Office. The functions of this office should be carried out by existing Public Affairs offices in the services and in the Office of the Secretary of Defense.

#### USE OF RDT&E FUNDING FOR MILITARY CONSTRUCTION AND OPERATION AND MAINTENANCE ACTIVITIES

A recent General Accounting Office (GAO) audit has disclosed several cases where SDI RDT&E funds had been, or were planned to be, utilized by field organizations for highly questionable items. These included maintenance and protection of the Safeguard Missile Complex, which closed in 1976, and procurement of a high-speed, 200-passenger ferry to transport SDI personnel between Kwajalein Island and Meck Island. In addition, the GAO discovered plans by SDI executing agencies to obligate $20,000,000 in military construction projects which were unknown to SDI headquarters officials. In addressing the seriousness of this issue, the GAO concluded the following:

> . . . the availability of SDIO appropriations for such purposes could provide executing agencies the opportunity to remedy maintenance backlogs, improve office conditions, and acquire equipment and transportation assets that normally would not be funded. Moreover, an increasing amount of SDIO resources may be called upon to operate and maintain facilities once constructed, thus diluting the resources available for research.

In responding to these issues, SDIO stated that this was the result of the "usual turbulence associated with any major new program" in its formative years. The Committee is concerned about these issues, and expects SDIO to make whatever management improvements are necessary to resolve them expeditiously.

### SDI FUNDING FOR THE NATIONAL AEROSPACE PLANE

As described earlier in this report, the Committee directs that $30,000,000 of the amount recommended for SDI be allocated to development of the National Aerospace Plane. This is the budgeted and authorized amount.

### SDI CIVIL APPLICATIONS INITIATIVE

Recognizing the potential for many civil applications of Strategic Defense Initiative technologies and the potential payback to the American taxpayer of the exploitation of those technologies that are not militarily sensitive, the Committee approves the use of not more than $2,000,000 of the overall fiscal year 1987 SDI appropriation for management, identification and exploitation of these technologies for civil, medical and scientific benefits for all mankind.

### FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTER FOR THE STRATEGIC DEFENSE INITIATIVE

The Administration has begun preparations to establish a government-funded "think tank" to provide technical support to the Strategic Defense Initiative Organization (SDIO). After completing a study on various alternatives for supplying the requisite technical analysis, including existing Federally Funded Research and Development Centers (FFRDCs), nonprofit organizations, or Pentagon offices, the Defense Department concluded that its needs can be met best through the establishment of a new FFRDC.

While the committee recognizes the importance of SDIO having access to expert technical support in carrying out system integration efforts and evaluating systems architecture work, the Committee has identified a number of questions regarding the proposed SDI Institute's (SDII) staffing procedures, goals and independence.

Specifically, the Committee is concerned about the degree of involvement evisioned by the SDIO in the selection of institute personnel, lack of peer review in assessing proposals to organize the Institute, absence of "revolving door" prohibitions against scientists moving from the SDII to private companies whose performance they had previously evaluated, and whether the support sought by the Pentagon is not now available or could become available in an existing FFRDC, for-profit organization or nonprofit institution.

The number of unresolved issues surrounding the Administration's plan for the multi-million dollar SDII, including the ability of the proposed FFRDC to provide objective, conflict-free advice, leads the Committee to conclude that Congress should exercise its traditional oversight function in promoting the independence of any SDI "think tank" should one be judged necessary.

The controversial nature of the Administration's SDI program carries with it a special responsibility to ensure the objectivity and independence of any entity designed to fulfill technical evaluation functions. The Committee believes that this responsibility rests with Congress and therefore recommends bill language that precludes the obligation of funds for the SDII or other organization set up to provide technical support to the SDIO until Congress specifically authorizes and appropriates funds for the new facility.

### EXPERIMENTAL EVALUATION OF MAJOR INNOVATIVE TECHNOLOGIES

The Committee recommends $143,980,000 for Experimental Evaluation of Major Innovative Technologies in fiscal year 1987, and in addition, $25,000,000 in prior year transfer funds. This includes a reduction for classified programs and a readjustment of funding for the Teal Ruby program. The prior year transfer involves Teal Ruby funding, and is based upon the delay in the space shuttle program.

### CINC COMMAND AND CONTROL INITIATIVES

The Committee recommends no funds for CINC Command and Control Initiatives in fiscal year 1987. In fiscal year 1986, the appropriations conference directed DoD to eliminate DCA-administered "CINC Initiative" programs which were funded in both procurement and operations and maintenance accounts. The Committee believes that the rationale for that decision also applies to CINC Initiative projects funded in RDT&E. The Committee also notes that the budget justification material does not describe how the fiscal year 1987 funds would be used.

### DCA LONG HAUL COMMUNICATIONS

The Defense Communications Agency budgeted $39,113,000 for the Long Haul Communications Program. The Committee recommends $23,613,000, a reduction of $15,500,000 from the request.

This request includes $15,500,000 for a new universal modem, which is proposed to become available in the early 1990's, and which is intended to replace three modems which the Department is still fielding. The Committee believes that more analysis and planning is required before work on the universal modem proceeds. The Department of Defense should report to the Committee by March 1, 1987, on the specific requirements for, and users of, a universal modem. The report should also cover how the Department plans to meet performance, survivability, and interoperability requirements with the systems being fielded, with the new system, and during the transition between the two systems. The report should also include a specific plan for procurement, modification (where necessary), and fielding of the current and proposed systems, with particular attention given to the cost effective use of the systems currently being fielded.

### SDI HEADQUARTERS MANAGEMENT

The Department of Defense requested $17,411,000 for SDI Headquarters Management in fiscal year 1987. The Committee recommends $15,000,000, which provides a 15 percent increase over fiscal year 1986. According to budget documentation, virtually all of the proposed increase is for the "other contracts" budget category. It is not clear to the Committee how increases in this category (compared to new staff, equipment or facilities) would assist the management effort. The Committee's recommendation does provide adequate funds to hire the 25 new staff planned by SDIO for fiscal year 1987.

### INDUSTRIAL PREPAREDNESS

The Defense Logistics Agency (DLA) requested $11,500,000 for Industrial Preparedness in fiscal year 1987. This provides funding for DLA Manufacturing Technology (MANTECH). The Committee recommends $5,500,000, which is $2,000,000 less than the authorized level.

DLA's requested funding represents an increase of 154 percent over the fiscal year 1986 level, and some projects do not appear to be of high priority. However, two projects appear to have significant merit, and which warrant a majority of the recommended funds. The Committee therefore directs that $2,000,000 be allocated to the Military Sewn Products Automation (MILSPA) project, and that $3,000,000 be allocated to the Microelectronics Emulation Project.

### FOREIGN MATERIALS ACQUISITION AND EXPLOITATION

The fiscal year 1986 budget includes $14,831,000 for a new program entitled Foreign Materials Acquisition and Exploitation, to be administered by the Office of the Secretary of Defense. Since the military services and the various intelligence agencies of the federal government already budget funds for this effort, the Committee does not believe it is necessary for duplicate funding to be established for the first time in fiscal year 1987. The Committee is therefore deleting the entire request.

### CLASSIFIED PROGRAMS

The Committee recommends reductions of $53,686,000 in classified programs for reasons explained in the classified annex to this report, and in a classified letter to the Secretary of Defense.

## PROGRAM SUMMARY

The following schedule shows the budget estimate, the recommended appropriation, and the change from the budget estimate for fiscal year 1987:

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| RESEARCH DEVELOPMENT TEST + EVAL,DEF AGENCIES | | | |
| TECHNOLOGY BASE | | | |
| DEFENSE RESEARCH SCIENCES | 95,900 | 92,000 | -3,900 |
| IN-HOUSE LAB INDEPENDENT RESEARCH | 2,021 | 2,021 | --- |
| UNIVERSITY RESEARCH | 12,500 | 12,500 | --- |
| STRATEGIC TECHNOLOGY | 240,620 | 230,620 | -10,000 |
| TACTICAL TECHNOLOGY | 114,000 | 94,000 | -20,000 |
| PARTICLE BEAM TECHOLOGY | 15,500 | 15,500 | --- |
| INTEGRATED COMD/CONTROL TECH | 56,500 | 49,000 | -7,500 |
| MATERIALS PROCESSING TECH | 34,660 | 34,660 | --- |
| NUCLEAR MONITORING | 19,400 | 17,900 | -1,500 |
| NUCLEAR MONITORING (BY TRANSFER) | --- | (1,500) | (+1,500) |
| DEFENSE NUCLEAR AGENCY | 347,013 | 262,113 | -84,900 |
| TECHNOLOGY BASE | 1,930 | 1,030 | -900 |
| TOTAL, TECHNOLOGY BASE | 940,044 | 811,344 | -128,700 |
| ADVANCE TECHNOLOGY DEVELOPMENT | | | |
| SURVEILLANCE,ACQSN,TRACK & KILL ASSESSMENT | 1,262,413 | 844,413 | -418,000 |
| DIRECTED ENERGY WEAPONS | 1,614,955 | 1,056,955 | -558,000 |
| KINETIC ENERGY WEAPONS | 991,214 | 620,214 | -371,000 |
| SYSTEMS CONCEPTS AND BATTLE MANAGEMENT | 462,206 | 268,206 | -194,000 |
| SURVIVABILITY,LETHALITY & KEY SPT TECHNOLOGY | 454,367 | 295,367 | -159,000 |
| SDI - GENERAL REDUCTION | --- | -254,155 | -254,155 |
| JOIN DOD-DOE MUNITIONS TECH DEV | 8,803 | 7,803 | -1,000 |
| EXP EVAL OF MAJOR INNOVATIVE TECH | 172,600 | 143,980 | -28,620 |
| EXP EVAL OF MAJOR INNOVATIVE TECH (BY TRANSFER) | --- | (25,000) | (+25,000) |
| NATIONAL AERO SPACE PLANE TECHNOLOGY PROGRAM | 60,000 | 30,000 | -30,000 |
| SPECIAL OPERATIONS SPECIAL TECHNOLOGY OFFICE | 4,365 | 4,365 | --- |
| COUNTER INSURGENCY & SPECIAL TECHNOLOGY | 12,180 | 12,180 | --- |
| MICROWAVE/MILLIMETER WAVE MONOLITHIC INT CIR | 11,172 | 11,172 | --- |
| COMPUTER AIDED LOGISTICS SUPPORT | 14,831 | 14,831 | --- |
| DOD SOFTWARE INITIATIVES (STARS) | 35,220 | 35,220 | --- |
| COMMAND AND CONTROL RESEARCH | 2,062 | 1,813 | -249 |
| TOTAL, ADVANCE TECHNOLOGY DEVELOPMENT | 5,106,388 | 3,092,364 | -2,014,024 |
| STRATEGIC PROGRAMS | | | |
| ISLAND SUN | 31,853 | 31,853 | --- |
| NMCS-WIDE SUPPORT | 10,485 | 10,485 | --- |
| WWMCCS SYSTEM ENGINEER | 19,279 | 19,279 | --- |
| MINIMUM ESSENTIAL EMER COMM NETWORK | 11,301 | 11,301 | --- |
| TOTAL, STRATEGIC PROGRAMS | 72,918 | 72,918 | --- |
| TACTICAL PROGRAMS | | | |
| COMMON JT TACTICAL INFO DISTRIBUTION SYSTEM | 211,930 | 211,930 | --- |
| CINC C2 INITIATIVES | 2,158 | --- | -2,158 |
| C3 INTEROPERABILITY (JOINT TACTICAL C3 AGCY) | 68,835 | 61,835 | -7,000 |
| MANAGEMENT HEADQUARTERS (JTC3A) | 8,816 | 8,000 | -816 |
| TOTAL, TACTICAL PROGRAMS | 291,739 | 281,765 | -9,974 |

(IN THOUSANDS OF DOLLARS)

| | BUDGET REQUEST | COMMITTEE RECOMMENDED | CHANGE FROM REQUEST |
|---|---|---|---|
| INTELLIGENCE & COMMUNICATIONS | | | |
| MAP/CHART/GEODESY INV/PROTOTYPE DEV | 15,584 | 15,584 | --- |
| MAP/CHART/GEODESY ENGR DEV/TEST | 2,337 | 2,337 | --- |
| LONG-HAUL COMMUNICATIONS (DCS) | 39,113 | 23,613 | -15,500 |
| SUPPORT OF THE NCS | 3,041 | 3,041 | --- |
| CLASSIFIED PROGRAMS | 1,676,626 | 1,622,940 | -53,686 |
| ASDC3I | --- | 488,857 | +488,857 |
| TOTAL, INTELLIGENCE & COMMUNICATIONS | 1,736,701 | 2,156,372 | +419,671 |
| DEFENSEWIDE MISSION SUPPORT | | | |
| NATO RESEARCH AND DEVELOPMENT | 49,436 | 44,436 | -5,000 |
| TECHNICAL SUPPORT TO USDR/E | 20,617 | 16,600 | -4,017 |
| GENERAL SUPPORT FOR PA/E | 3,912 | 2,412 | -1,500 |
| SUPPORT TO POLICY | 6,931 | 5,556 | -1,375 |
| GENERAL SUPPORT FOR NET ASSESSMENT | 4,415 | 3,815 | -600 |
| GENERAL SUPPORT FOR FM&P | 2,049 | 1,749 | -300 |
| CRITICAL TECHNOLOGY | 3,474 | 2,874 | -600 |
| RAND RESEARCH CENTER FOR OSD & OJCS | 16,717 | 14,117 | -2,600 |
| TAPESTRY | 2,801 | --- | -2,801 |
| BLACKLITE | 4,000 | 4,000 | --- |
| CINC CONTRACT STUDIES SUPPORT | 5,000 | --- | -5,000 |
| GENERAL SUPPORT TO C3I | 3,164 | 2,164 | -1,000 |
| FOREIGN MATERIALS ACQUISTION & EXPLOITATION | 14,831 | --- | -14,831 |
| GENERAL SUPPORT FOR A&L | 3,263 | 2,363 | -900 |
| CRITICAL TECHNOLOGY ANALYSIS | 3,000 | 2,300 | -700 |
| DEFENSE TECHNICAL INFO CENTER | 22,500 | 20,500 | -2,000 |
| INFORMATION ANALYSIS CENTERS | 7,550 | 5,000 | -2,550 |
| MANAGEMENT HEADQUARTERS SDI | 17,411 | 15,000 | -2,411 |
| MGT HQ (RESEARCH/DEVELOPMENT) | 12,200 | 12,200 | --- |
| INDUSTRIAL PREPAREDNESS | 11,500 | 6,000 | -5,500 |
| TECHNOLOGY TRANSFER FUNCTIONS | 1,739 | 1,739 | --- |
| TOTAL, DEFENSEWIDE MISSION SUPPORT | 216,510 | 162,825 | -53,685 |
| TOTAL, RESEARCH DEVELOPMENT TEST + EVAL,DEF AGENCIES | 8,364,300 | 6,577,588 | -1,786,712 |
| TRANSFER FROM OTHER ACCOUNTS | --- | (26,500) | (+26,500) |
| TOTAL FUNDING AVAILABLE | 8,364,300 | 6,604,088 | -1,760,212 |

## DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

| | |
|---|---|
| Appropriations, 1986 | $118,500,000 |
| Adjusted Base, 1986 | 113,918,000 |
| New Obligational Authority, 1987: | |
| Estimate | 141,800,000 |
| Recommended | 109,537,000 |
| Decrease | 32,263,000 |

The Committee recommends the appropriation of $109,537,000 for the activities of Developmental Test and Evaluation, Defense in fiscal year 1987, a reduction of $32,263,000 below the budget request.

These funds support Developmental Test and Evaluation, Defense for direction and supervision of test and evaluation, for joint testing, for improvement of the effectiveness and efficiency of the DoD major ranges and test facilities, and for technical and/or operational evaluation of foreign nations' weapons systems, equipment and technologies.

### COMMITTEE RECOMMENDATIONS

#### NATO COOPERATIVE DEVELOPMENT TESTING

The Committee recommends $42,991,000 for NATO Cooperative Development Testing. The reduction of $5,000,000 is based upon authorization action.

#### TEST AND EVALUATION

The Department of Defense requested $75,799,000 for Test and Evaluation in fiscal year 1987. The Committee recommends $48,536,000, a reduction of $27,263,000. The recommendation would defer continued funding for the IFFN and JFAAD test facilities until issues are resolved concerning the effectiveness of these systems and the degree of service support for their eventual utilization.

## OPERATIONAL TEST AND EVALUATION, DEFENSE

| | |
|---|---|
| Appropriations, 1986 | |
| Adjusted Base, 1986 | |
| New Obligational Authority, 1987: | |
| Estimate | $11,300,000 |
| Recommended | 11,300,000 |
| Decrease | |

The Committee recommends the appropriation of the total budget request of $11,300,000 for the Operational Test and Evaluation, Defense account.

This appropriation funds the activities of the Office of the Director, Operational Test and Evaluation.

# TITLE V

## SPECIAL FOREIGN CURRENCY PROGRAM

| | |
|---|---|
| Appropriations, 1986 | $2,100,000 |
| Adjusted Base, 1986 | 1,997,000 |
| New Obligational Authority, 1987: | |
| Estimate | $3,500,000 |
| Recommended | $3,500,000 |
| Decrease | |

The Committee recommends the appropriation of the total budget request of $3,500,000 for payment in excess foreign currencies.

The special foreign currency appropriation provides dollars to be exclusively for the purchase from the Treasury of excess foreign currencies which are used in the financing of programs of benefit to the Department of Defense.

# TITLE VI

# REVOLVING AND MANAGEMENT FUNDS

## STOCK FUNDS

Pursuant to the authority contained in the National Security Act of 1947, as amended (Title 10, United States Code, Section 2208), the Secretary of Defense has established stock funds in each of the Military Services, in the Defense Logistics Agency (DLA), and in the National Security Agency (NSA). Stock funds finance the procurement of material that, upon issue, become expenses of the consuming agency. The consuming agency reimburses the stock fund for the material when received and these reimbursements, in turn, finance the replacement of the inventory.

Typical of the classes of material financed under stock funds are: clothing, medical supplies, fuels, subsistance supplies, construction supplies, electrical and electronic supplies, ordnance repair parts, aircraft and missile parts, tank and automotive supplies and general retail supplies.

Obligations increase in FY 1987 over FY 1986 for increased inventory levels to support an expanding force structure, the modernization of the existing force, and other logistics initiatives. The following table summarizes the Committee's recommendations:

SUMMARY OF REVOLVING AND MANAGEMENT FUNDS

[In thousands of dollars]

| | Fiscal year— | | | | Change |
|---|---|---|---|---|---|
| | 1986 enacted | 1986 adjusted | 1987 request | 1987 recommended | |
| Army stock fund | 393,000 | 373,743 | 296,700 | 230,138 | −66,562 |
| Navy stock fund | 638,500 | 607,213 | 478,500 | 379,570 | −98,930 |
| Marine Corps stock fund | 37,700 | 35,853 | 45,900 | 31,233 | −14,667 |
| Air Force stock fund | 415,900 | 394,521 | 239,400 | 200,410 | −38,990 |
| Defense stock fund | 149,700 | 142,365 | 136,800 | 66,949 | −69,851 |
| ADP equipment management fund | 100,000 | 100,000 | | | |
| Total | 1,734,800 | 1,654,695 | 1,197,300 | 908,300 | −289,000 |

## ARMY STOCK FUND

| | |
|---|---|
| Fiscal year 1986 appropriations | $393,000,000 |
| Fiscal year 1986 adjusted base | 373,743,000 |
| Fiscal year 1987 budget request | 296,700,000 |
| Committee recommendation | 230,138,000 |
| Change | −66,562,000 |

The Committee recommends an appropriation of $230,138,000, a decrease of $162,862,000 from the $393,000,000 in total obligational authority for fiscal year 1986 and $143,605,000 below the available obligational authority in fiscal year 1986 after the sequestration required by the Defense Reduction Act of 1985.

The Committee's recommendation holds the peacetime inventory request to FY 1986 levels plus inflation and reduces war reserve inventory builds by $48,562,000.

## NAVY STOCK FUND

| | |
|---|---|
| Fiscal year 1986 appropriations | $638,500,000 |
| Fiscal year 1986 adjusted base | 607,213,000 |
| Fiscal year 1987 budget request | 478,500,000 |
| Committee recommendation | 379,570,000 |
| Change | −98,930,000 |

The Committee recommends an appropriation of $379,570,000, a decrease of $258,930,000 from the $638,500,000 in total obligational authority for fiscal year 1986 and $227,643,000 below the available obligational authority in fiscal year 1986 after the sequestration required by the Defense Reduction Act of 1985.

The Committee's recommendation holds the peacetime inventory request to FY 1986 levels plus inflation and reduces war reserve inventory builds by $94,430,000.

## MARINE CORPS STOCK FUND

| | |
|---|---|
| Fiscal year 1986 appropriations | $37,700,000 |
| Fiscal year 1986 adjusted base | 35,853,000 |
| Fiscal year 1987 budget request | 45,900,000 |
| Committee recommendation | 31,233,000 |
| Change | −14,667,000 |

The Committee recommends an appropriation of $31,233,000, a decrease of $6,467,000 below the $37,700,000 in total obligational authority for fiscal year 1986 and $4,620,000 below the available obligational authority in fiscal year 1986 after the sequestration required by the Defense Reduction Act of 1985.

The Committee's recommendation reduces the war reserve inventory build by $14,667,000.

## AIR FORCE STOCK FUND

| | |
|---|---|
| Fiscal year 1986 appropriations | $415,900,000 |
| Fiscal year 1986 adjusted base | 395,521,000 |
| Fiscal year 1987 budget request | 239,400,000 |
| Committee recommendation | 200,410,000 |
| Change | −38,990,000 |

The Committee recommends an appropriation of $200,410,000, which reduces war reserve inventory builds by $38,990,000.

## DEFENSE STOCK FUND

| | |
|---|---|
| Fiscal year 1986 appropriations | $149,700,000 |
| Fiscal year 1986 adjusted base | 142,365,000 |
| Fiscal year 1987 budget request | 136,800,000 |
| Committee recommendation | 66,949,000 |
| Change | −69,851,000 |

The Committee recommends an appropriation of $66,949,000, a decrease of $82,751,000 from the $149,700,000 in total obligational authority for fiscal year 1986 and $75,416,000 below the available obligational authority in fiscal year 1986 after the sequestration required by the Deficit Reduction Act of 1985.

The Committee's recommendation holds the peacetime inventory build to FY 1986 levels plus inflation and reduces war reserve inventory builds by $46,851,000.

# TITLE VII

## CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE

| | | |
|---|---|---|
| Appropriations, 1986 | | |
| Adjusted base, 1986 | | |
| New obligational authority, 1987: | | |
| Estimate | $120,100,000 | |
| Recommended | 120,100,000 | |
| Decrease | | |

### Committee Recommendations

The budget proposes a new appropriation for chemical agents and munitions destruction. The budget proposal is in conformance with the requirements of Section 1412 of the Department of Defense Authorization Act, 1986 which stipulates that funds for chemical agent and munition destruction shall be set forth as a separate account and not included in the budget accounts for any of the military services.

The proposed appropriation includes funds for operation and maintenance, procurement, and research, development, test and evaluation activities. The budget proposes that the new appropriation be included as part of the procurement title in the bill and that all the funds appropriated be available for obligation for three years as are procurement funds. The Committee recommends that the appropriation be made a new title (Title VII) since it funds activities which overlap the traditional appropriation titles. Furthermore, the Committee recommends bill language which limits obligational availability to one year for the operation and maintenance portion, two years for the research, development, test and evaluation portion, and three years for the procurement portion. This is consistent with the availability for other funds in the corresponding titles of the bill.

Section 1412 also required the Secretary of Defense to develop a plan for destruction of the current chemical stockpile by September 30, 1994. In accordance with that requirement, a plan was submitted to the Congress on March 15, 1986. The plan evaluates and compares three alternatives: (1) onsite disposal with stocks destroyed at their current storage locations, (2) collocation of stocks to two regional centers, and (3) collocation of stocks to a national destruction site. Each of the alternatives assumes the use of the burning technology which is to be used at the Johnston Atoll Chemical Agent Disposal System (JACADS). Each of the alternatives costs about $2 billion.

When the plan was submitted, Under Secretary of the Army James Ambrose wrote that the schedules in the plan "represent some degree of risk and may not be the most cost-effective ways to achieving the goal." Mr. Ambrose observed that it would be much more prudent to complete and test the JACADS facility and to simultaneously continue development work on cryofracture technology, an alternative destruction approach. The result of such an approach would be to delay completion of chemical weapon destruction. However it has the advantage of potential savings of $300 million.

The Committee believes that Mr. Ambrose's observations merit consideration by the Congress and the Department of Defense. If the cryofracture approach can save money and can be proven in a reasonable amount of time, it should not be excluded from consideration because of an artificially imposed deadline. In addition, the large sums of money required for this program should not be committed even to the burn technology until it is shown to work in a full scale operational facility. The Committee therefore directs the Department of Defense to report to the Congress on an "optimal" destruction program, recognizing risks and cost benefits. If such a program extends beyond the requirements of current law, the report shall include proposed language which provides legislative relief.

# TITLE VIII

# RELATED AGENCIES

## INTELLIGENCE COMMUNITY STAFF

| | |
|---|---|
| Appropriations, 1986 | $22,083,000 |
| Adjusted Base, 1986 | 21,001,000 |
| New obligational authority, 1987: | |
| Estimate | 22,938,000 |
| Recommended | 21,538,000 |
| Change | 1,400,000 |

The Intelligence Community Staff (ICS) provides the Director of Central Intelligence (DCI) with staff assistance to carry out his intelligence community responsibilities. Specifically, the Staff supports the DCI in the execution of his responsibilities to develop, review, and approve the budget for the National Foreign Intelligence Program, to evaluate the performance of foreign intelligence activities, and to develop issues, goals, and other required guidance for the intelligence community.

The fiscal year 1987 budget request for the Intelligence Community Staff totals $22,938,000 and 246 positions. After adjustments for the FY 1986 Gramm, Rudman, Hollings reductions, the amount provided in fiscal year 1986 was $21,001,000 and 227 positions.

For fiscal year 1987, the Committee recommends a manpower level of 230 and an appropriation of $21,538,000, a reduction of $1,400,000 from the fiscal year 1987 budget request. This funding will provide an increase of 10 positions from the current on board manpower level of 220.

## CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

| | |
|---|---|
| Appropriations, 1986 | $101,400,000 |
| Adjusted Base, 1986 | 101,400,000 |
| New obligational authority, 1987: | |
| Estimate | 125,800,000 |
| Recommended | 125,800,000 |

The Committee recommends $125,800,000, the budget request, for the Central Intelligence Agency (CIA) Retirement and Disability System Fund. The CIA Retirement Act of 1964 for Certain Employees (P.L. 88-643) authorized the establishment of a CIA Retirement and Disability System for a limited number of CIA employees, and authorized the establishment and maintenance of a Fund from which benefits would be paid to qualified beneficiaries. The fiscal year 1987 request is $24,400,000 above the fiscal year 1986 appropriation of $101,400,000.

# TITLE IX

## GENERAL PROVISIONS

The accompanying bill includes 108 general provisions. Most of these provisions were included in the Department of Defense Appropriation Bill for fiscal year 1986 and many have been included in the Defense Appropriation Act for a number of years. Of the 114 general provisions contained in the annual and Supplemental Appropriation Acts for fiscal year 1986, 28 have been deleted and 22 new provisions have been added to the bill for fiscal year 1987. Of the deleted provisions, 9 were codified or made permanent in Public Laws 99-145 and 99-190.

The action taken on the various budget recommended proposals regarding the general provisions carried in the bill and other changes being recommended by the Committee are discussed below:

### CONSULTING SERVICES

The Committee does not agree to the budget proposal to delete language which limits expenditures for certain consulting services unless they are a matter of public record.

### HEATING FACILITIES IN EUROPE

The budget requested the deletion of the proviso contained in section 9010 which prohibits the conversion of heating plants from coal to oil at defense facilities in Europe. The Committee recommends restoring the proviso in section 9010 and restoring section 9017.

The Committee recommends deleting language which prohibited funds for the consolidation or conversion of heating facilities to district heating distribution systems at Defense installations in Europe. For further details, see the writeup on this subject in the Operation and Maintenance section of the report.

### LEGISLATIVE LIAISON ACTIVITIES

The Committee agrees, as proposed in the budget, to increase the ceiling on legislative liaison activities from $13,334,000 to $13,900,000.

### TRANSFER OF FUNDS

The Department of Defense Appropriations Act has for a number of years contained a provision allowing for the transfer of funds between the various appropriation accounts. Section 9015 of the accompanying bill continues this provision in fiscal year 1987.

Prior to 1972, the transfer of funds was restricted to appropriations in the Act. Between 1972 and 1978 the provision was changed so that transfers were permitted from any funds available to the Department of Defense. In fiscal year 1979, the Congress reverted to the original language by reinserting the words "in this Act." This was done because the Department had been using this provision to give new life to funds about to expire and initiate development and procurement programs, contrary to the intent of Congress.

For the past eight years, the budget has proposed that the words "in this Act" be deleted. The Committee recommends again this year that the words "in this Act" be retained in order to maintain discipline in budget execution and avoid the abuses of the past.

The Committee recommends, as proposed in the budget, $1,200,000,000 as the ceiling on total transfers.

### PUBLIC AFFAIRS ACTIVITIES

The Committee agrees to raise the ceiling on public affairs activities from $43,563,000 to $43,700,000 instead of $44,300,000 as requested in the budget.

### MULTIYEAR PROCUREMENT CONTRACTS

The Committee does not agree to the budget proposal to delete language which prohibits funds to execute a multiyear contract which employs any economic order quantity procurement or which includes an unfunded contingent liability in excess of $20,000,000 unless the Armed Services and Appropriations Committees are notified in advance. The provision specifically states no funds shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value exceeds $500,000,000 unless specifically provided herein.

### POMCUS SETS 5 AND 6

The Committee does not agree to the budget proposal to delete the general provision which prohibits funds for the transportation of equipment or materiel designated to POMCUS sets 5 and 6, unless such equipment would not reduce the level of equipment below 70 percent for the active forces and 50 percent for the Reserve forces.

### ADVANCED TECHNOLOGY BOMBER

The Committee does not agree to the budget proposal to delete language which instructs the Secretary of Defense to provide funds for the Advanced Technology Bomber program at a level at least equal to the amount provided by the committee of conference.

### PURCHASE OF COAL OR COKE FROM FOREIGN NATIONALS

The Committee does not agree to the budget proposal to delete language which prohibits funds to purchase coal or coke from foreign nations for use at United States defense facilities in Europe when coal from the United States is available.

### EXECUTIVE SCHEDULE POSITIONS

The Committee does not agree to the budget proposal to delete language which prohibits funds to appoint or compensate more than 37 executive schedule positions in the Department of Defense.

### RESERVE/GUARD TECHNICIANS

The Committee recommends amending 9042 to revise the floor for military (civilian) technicians to 67,919. For further details, see the write-up on this subject in the Guard and Reserve Forces section of the report.

### CIVILIAN PERSONNEL CEILINGS

The Committee does not agree to the budget proposal to delete language which prohibits funds to impose civilian personnel ceilings on DOD activities.

### TRANSFER OF WORKING CAPITAL FUNDS

The Committee does not agree to the budget proposal to delete the ceiling on the amount of funds transferred from a working capital fund to an O&M account. This ceiling will continue to be for all active and reserve O&M accounts as agreed to in the fiscal year 1986 Supplemental.

### NICARAGUAN DEMOCRATIC RESISTANCE

The Committee has included a provision prohibiting funds, material, or assistance for the Nicaraguan democratic resistance to support military or paramilitary operations in Nicaragua from being financed from this bill except in accordance with Section 106 of H.R. 4759, the Intelligence Authorization Act for fiscal year 1987.

### 18 MONTH LIMITATION ON LEASES

The Committee does not agree to delete language which places restrictions on lease contracts for vessels, aircraft, or vehicles.

### FORT DERUSSY

The Committee does not agree to the budget proposal to delete language which prohibits funds for the sale, lease, rental, or excessing of land at Fort DeRussy.

### UNEMPLOYMENT COMPENSATION BENEFITS

The Committee does not agree to the budget proposal to delete the ceiling on the amount of unemployment compensation benefits paid to the Labor Department. The cap for fiscal year 1987 is $174,598,000.

### FLOATING STORAGE FOR PETROLEUM AND PETROLEUM PRODUCTS

The Committee does not agree to the budget proposal to delete language which prohibits the Department of Defense from using foreign tankers as floating storage for petroleum and petroleum products.

### CIVIL AIR PATROL (CAP)

The Committee is very pleased that the Air Force budgeted $3,100,000 in fiscal year 1987 for the Civil Air Patrol. In light of equipment and maintenance funding shortages, however, $5,000,000 is needed. The Committee recommends retention of a general provision which requires the Air Force to allocate this amount to the Civil Air Patrol.

### FOREIGN SELLING COSTS

The Committee does not agree to the budget proposal to delete language which prohibits reimbursements for foreign selling costs in U.S. contracts.

### NATO CONVENTIONAL CAPABILITY

The Committee does not agree to the budget proposal to delete language which requires notification to the Appropriations Committees if the Director of Operational Test and Evaluation uses the authority provided in section 1002(e)(2) of the fiscal year 1985 Authorization Act to acquire weapons of European NATO manufacture for side-by-side testing.

### LABOR SURPLUS AREAS

The Committee does not agree to the budget proposal to delete language which expresses the Sense of Congress that DOD should formulate a program to award contracts in labor surplus areas.

### DPSC, PHILADELPHIA

The Committee does not agree to the budget proposal to delete language which prohibits funds to contract out services at DPSC, Philadelphia until the Appropriations Committees have been provided the results of a cost analysis.

### ENLISTMENT BONUS/EDUCATIONAL ASSISTANCE

The Committee does not agree to the budget proposal to delete language which limits the amount of educational assistance which can be paid to a service member who receives an enlistment bonus.

### JOINT TACTICAL MISSILE SYSTEM (JTACMS)

The Committee does not agree to the budget proposal to delete language which prohibits funds for R&D on intergration of a nuclear warhead into the Joint Tactical Missile System.

### PERMANENT CHANGE OF STATION

The Committee has revised the language which places a ceiling of $2,239,060,000 on the amount expended for PCS moves. For further details, see the write-up on this subject in the Military Personnel section of the report.

## BAQ/SAVED PAY

The Committee does not agree to the budget proposal to delete language which ensures that BAQ rates do not fall below those in effect on December 31, 1984.

## MOST EFFICIENT ORGANIZATIONAL ANALYSIS

The Committee does not agree to the budget proposal to delete language which directs that a most efficient and cost-effective organization analysis and certification must be completed and the results submitted to the Committees on Appropriations before a Department of Defense (DoD) function or activity can be contracted out. Functions or activities that would be covered by this new provision are those that are performed by more than 10 DoD civilian employees.

## C-12 AIRCRAFT

The Committee does not agree to the budget proposal to delete language which requires that the C-12 aircraft be competitively procured.

## 120MM MORTAR

The Committee does not agree to the budget proposal to delete language which prohibits funds to procure 120mm mortar or 120mm mortar ammunition outside the United States, except for the Army's Ninth Infantry Division (Motorized).

## DEPENDENT STUDENT TRAVEL

The Committee does not agree to the budget proposal to delete language which places a cap of $4.7 million on funding for dependent student travel.

## INTERPORT DIFFERENTIAL

The Committee does not agree to the budget proposal to delete language which prohibits paying an interport differential for overhaul contracts on the West Coast.

## SDI CONTRACTS

The Committee does not agree to the budget proposal to delete language which prohibits set-asides for non-United States contracts on the SDI program.

## ORGANOTIN PAINT

The Committee does not agree to the budget proposal to delete language which prohibits funds to use organotin on naval vessels until EPA certifies its safety to marine environment.

## COAL-DOMESTIC MILITARY FACILITIES

The Committee agrees to the budget proposal to delete language which requires DOD to rehabilitate and convert current steam generating facilities in the United States to coal-burning facilities. For further details, see the write-up in the Operation and Maintenance section of the report.

### OBLIGATION LIMITATION

A new general provision (section 9087) has been added which states that funds appropriated in this Act shall not be subject to certain obligational limitations.

### DEPLETED URANIUM COMPONENT

A new general provision (section 9088) has been added which prohibits the procurement of ammunition containing a depleted uranium component if the procurement of such component is on a Government furnished material basis from at least two sources in the existing production base.

### DoD/VA COOPERATIVE RESEARCH

A new general provision (section 9089) has been added which provides $20 million of available research and development funds for DoD/VA Cooperative Research.

### PRODUCTIVITY-BASED INCENTIVE AWARDS

A new general provision (Section 9090) has been added which allows the Defense Logistics Agency to grant civilian employees participating in productivity-based incentive award programs paid administrative time off in lieu of cash payment as compensation for increased productivity. For further details, see the writeup on this subject in the Operation and Maintenance section of the report.

### FOREIGN CURRENCY FLUCTUATIONS, DEFENSE

A new general provision (section 9091) has been added which permits transfer of fiscal year 1983 unobligated balances into the appropriation "Foreign Currency Fluctuations, Defense." For further details, see the writeup on this subject in the Operation and Maintenance section of the report.

### ARMY DEPOT MAINTENANCE

A new general provision (section 9092) has been added which places a floor on civilian employees at communications-electronics repair depots. For further details, see the writeup on this subject in the Operation and Maintenance section of the report.

### NATIONAL DEFENSE STOCKPILE

A new general provision (section 9093) has been added which prohibits the use of any funds provided by this Act to store, maintain or protect more than 127,911,736 troy ounces of silver deposited in the National Defense Stockpile. After January 15, 1987, no funds can be used for the protection, maintenance or storage of the remaining 5,000,000 troy ounces of silver in the stockpile.

For over a decade now, all inventories of silver in the stockpile have been declared in excess of goals. During this time, millions of federal dollars have been spent to store and maintain commodities not identified as critical or strategic for our national defense. In fact, the Federal Emergency Management Agency reports that $3.1 billion worth of materials currently deposited in the stockpile are not classified as critical or strategic.

The storage of these excess materials in the stockpile while stated goals remain unfilled is a threat to the national security of our country. FEMA estimates that the value of commodities required to fill the current stockpile goals is $9.7 billion.

Moreover, the National Defense Stockpile should not be used for narrow economic gain or political purposes. The Strategic and Critical Materials Stock Piling Act clearly states that "the purpose of the stockpile is to serve the interest of national defense only and is not to be used for economic or budgetary purposes." In this particular case, funds generated from the sale of excess silver will be deposited in the transaction fund for use in purchasing materials required to meet the stockpile goals. Any blanket prohibition to prevent the disposal of excess materials in the stockpile threatens our national security by limiting the inventory of materials identified as critical and strategic.

## POSEIDON SUBMARINES

A new general provision (section 9094) has been added which prohibits funds to overhaul SSBN-617 and SSBN-620, unless a reprogramming request has been submitted to and approved by the Committees on Appropriations. For further details, see the writeup on this subject in the Operation and Maintenance section of the report.

## VARIABLE HOUSING ALLOWANCE INFLATION RATE

A new general provision (section 9095) has been added which prohibits funds to pay a Variable Housing Allowance in excess of 2.45 percent. For further details, see the writeup on this subject in the Operation and Maintenance section of the report.

## PROHIBITION ON CONTRACTING CERTAIN ACTIVITIES

A new general provision (section 9096) has been added which prohibits the Department of Defense from contracting out any activities currently performed by government employees at the Crane Army Ammunition Activity and at the McAlester Army Ammunition Plant. The Committee recalls the serious problems experienced when the Hawthorne Army Ammunition Plant was transferred to contractor operation. In addition, the Committee is concerned with the potential effect contracting out these two plants could have upon the government's ability to produce necessary ammunition in a national emergency.

## AUTOMATIC DATA PROCESSING

A new general provision (section 9097) has been added which provides restrictions on several ADP systems. For further details, see the writeup on this subject in the Management of Automatic Data Processing Systems section of the report.

## COASTAL DEFENSE AUGMENTATION

A new general provision (section 9098) has been added which transfers $69,750,000 from "Coastal Defense Augmentation" to Coast Guard "Acquisition, Construction, and Improvements".

## SHIP REPAIR OVERSEAS

A new general provision (section 9099) has been added which prohibits the overseas overhaul, repair, or maintenance of any DOD vessel normally homeported in the United States, except for unscheduled emergent work. For further details, see the writeup on this subject in the Operation and Maintenance section of the report.

## PAYMENT DATE FOR MILITARY PAY AND ALLOWANCES

A new general provision (section 9100) has been added which states that amounts of basic pay, basic allowance for quarters, basic allowance for subsistence, and other payments of military compensation (other then travel and transportation allowances and separation allowances) shall be paid on the first day of the month beginning after the month during which the right to such compensation occurs. This section does not preclude one payment in mid month for any element of compensation and does not affect any authority to make advance payments of pay and allowance. This section is identical to the language contained in H.R. 4428, the Department of Defense Authorization Act, 1987, as amended on the House Floor.

## NUCLEAR TESTING

A new general provision (section 9101) has been added which imposes a one-year moratorium on all nuclear testing by the United States, provided that the Soviets also observe such a moratorium and meet the conditions of enhanced verification. The section is identical to the language contained in H.R. 4428, the Department of Defense Authorization Act, 1987, as amended on the House Floor.

## INTERIM RESTRAINT POLICY (SALT II)

The Committee has included a general provision, Sec. 9102, which would limit U.S. strategic nuclear forces to the numerical sublimits allowed for in the SALT II agreement, unless the President certifies that the Soviet Union has exceeded those levels. These numerical sublimits include limits of 820 MIRVed ICBM launchers, 1200 MIRVed ICBM and SLBM launchers, and 1320 such launchers and ALCM equipped bombers. The numerical sublimits also include the limits on warheads for individual launcher types enunciated in the agreement. Among these are not more than 10 warheads on any heavy ICBM, not more than 14 warheads on SLBMs, and not more than 10 warheads on Air to Surface missiles (ASBMs).

### SPACE DEFENSE SYSTEM

A new general provision (section 9103) has been added which prohibits, until October 1, 1987, funds to carry out a test of the Space Defense System against an object in space until the President has certified that the Soviet Union, after the date of enactment of this Act, has conducted such a test. This section is identical to the language contained in H.R. 4428, the Department of Defense Authorization Act, 1987, as amended on the House Floor.

### CHEMICAL WEAPONS

A new general provision (section 9104) has been added which prohibits obligation of funds for chemical weapons and associated production facilities for one year, places limitation on the removal of chemical weapons from Europe, and requires certain reports. This section is identical to the language contained in H.R. 4428, the Department of Defense Authorization Act, 1987, as amended on the House Floor.

### COPPERHEAD PROJECTICE

A new General Provision (Sec. 9105) has been added which prohibits funds to seek a second production source for, or procurement or product improvement of the Copperhead projectile.

### STRATEGIC DEFENSE INITIATIVE INSTITUTE

A new General Provision (Sec. 9106) has been added which prohibits funds for the Strategic Defense Initiative Institute unless such funds are specifically authorized and appropriated in an Act other than this Act. For further details, see the write-up on this subject in the Research, Development, Test & Evaluation section of the report.

### 9 MM HANDGUNS

A new General Provision (Sec. 9107) has been added which prohibits funds for the procurement of 9mm handguns until such time as the current procurement contract is cancelled and the performance specifications recompeted.

### PURCHASE OF UTILITIES

A new General Provision (Sec. 9108) has been added which prohibits funds to implement or enforce the rule proposed on May 7, 1986 (51 Fed. Reg. 16988–16991), or Section 8.304–91 of the Air Force FAR Supplement issued on June 24, 1985. For further details, see the write-up on this subject in the Operation and Maintenance section of the report.

## HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

The following items are included in accordance with various requirements of the Rules of the House of Representatives:

### CHANGES IN APPLICATION OF EXISTING LAW

Pursuant to Clause 3 of Rule XXI of the House of Representatives, the following statements are submitted describing the effect of provisions which directly or indirectly change the application of existing law.

Language is included in various parts of the bill to continue ongoing activities which require annual authorization or additional legislation, which to date has not been enacted.

The bill includes a number of provisions which place limitations on the use of funds in the bill or change existing limitations and which might, under some circumstances, be construed as changing the application of existing law.

The bill includes a number of provisions, which have been virtually unchanged for many years, that are technically considered "legislation." To include these each year would be no more informative than the bill itself and would reduce the visibility of any new legislative changes.

Those changes in the fiscal year 1987 bill, which might be interpreted as changing existing law, are as follows:

#### APPROPRIATION LANGUAGE

Additional appropriation language has been added to the appropriation "National Board for the Promotion of Rifle Practice, Army" since all funds in support of this program have been consolidated into this one account.

Appropriation language has been added which provides $1,679,409,000 for "Military Health Care" since all funds in support of the Civilian Health and Medical Program of the Uniformed Services have been consolidated into this one account.

Language has been included under "Claims, Defense" which allows the Department of the Army to pay claims resulting from the explosion of bombs near Checotah, Oklahoma without a determination of legal liability on the part of the federal government.

Language has been included under "Humanitarian Assistance" which extends the availability of certain funds provided for the same purpose in the Department of Defense Appropriation Act, 1986, until September 30, 1987.

Language has been added to "Other Procurement, Army" which allows the Army to acquire and validate the technical data package for the Heavy Expanded Mobility Tactical Truck (HEMTT) and allows the Army to modify the existing contract and to obligate funds.

Language has been added to "Other Procurement, Navy" earmarking $45,000,000 for seasheds.

Language has been added to "Aircraft Procurement, Air Force" which prohibits funds to procure long lead parts intended to extend B-1B production beyond 100 aircraft.

Language has been added to "Aircraft Procurement, Air Force" which allows the award of a multiyear contract for Air Defense Aircraft procurement with certain restrictions.

Language has been added to "Aircraft Procurement, Air Force" which places restrictions on the awarding of a contract for acquisition of Air Force aircraft or major subsystems.

Language has been added to "Missile Procurement, Air Force" which prohibits funds for Lot 1 low-rate production of AMRAAM until a minimum of three successful flight tests have been conducted.

Language has been added to "Research, Development, Test, and Evaluation, Navy" stating that funds for the V-22 program shall not be subjected to Section 204(a) of the Defense Authorization Bill for fiscal year 1987 (H.R. 4428).

Language has been added to "Research, Development, Test, and Evaluation, Navy," earmarking $188,825,000 for full-scale development of MK-50 Advanced Lightweight Torpedo Program; $39,704,000 for the Low Cost Anti-radiation Seeker Program; and $3,000,000 for the Aircrew impact injury prevention project.

Language has been added to "Research, Development, Test, and Evaluation, Air Force" earmarking $17,375,000 for the Low Cost Seeker Program.

The appropriation "Director of Development, Test and Evaluation, Defense" has been broken into two appropriation accounts—one for development test and evaluation and one for operational test and evaluation.

A new title has been added for "Chemical Agents and Munitions Destruction, Defense." The funds for this was requested in title III—Procurement. However, since the appropriation contained requests for funds in Operation and Maintenance and Research, Development, Test, and Evaluation, as well, it was made a separate title.

### GENERAL PROVISIONS

Section 9045 has been amended to prohibit fiscal year 1987 funds to provide funds, material, or other assistance to the Nicaraguan democratic resistance unless in accordance with section 106 of the Intelligence Authorization Act, 1987 (HR 4759).

Section 9073 has been amended to place a ceiling on the amount of fiscal year 1987 funds which can be expended for permanent change of station moves.

Section 9087 has been added which states that funds appropriated in this Act shall not be subject to certain obligational limitations.

Section 9088 has been added which prohibits the procurement of ammunition containing a depleted uranium component if the procurement of such component is on a Government furnished material basis from at least two sources in the existing production base.

Section 9089 has been added which provides $20 million of available Research and Development funds for DoD/VA Cooperative Research.

Section 9090 has been added which allows the Defense Logistics Agency to grant civilian employees participating in productivity-based incentive award programs paid administrative time off in lieu of cash payment as compensation for increased productivity.

Section 9091 has been added which allows transfer of fiscal year 1983 unobligated balances into the appropriation "Foreign Currency Fluctuations, Defense."

Section 9092 has been added which places a floor on civilian employees at communications-electronics repair depots.

Section 9093 has been added which prohibits after January 15, 1987, the use of any funds provided by this Act to store, maintain or protect more than 127,911,736 troy ounces of silver deposited in the National Defense Stockpile.

Section 9094 has been added which prohibits funds to overhaul SSBN-617 and SSBN-620, unless a reprogramming request has been submitted to and approved by the Committee on Appropriations.

Section 9095 has been added which prohibits funds to pay a Variable Housing Allowance in excess of 2.45 percent.

Section 9096 has been added which prohibits the Department of Defense from contracting out any activities currently performed by government employees at the Crane Army Ammunition Activity and at the McAlester Army Ammunition Plant.

Section 9097 has been added which prohibits funds for several ADP systems.

Section 9098 has been added which transfers $69,750,000 from "Coastal Defense Augmentation" to Coast Guard "Acquisition, Construction, and Improvements".

Section 9099 has been added which prohibits the overseas overhaul, repair, or maintenance of any DoD vessel normally homeported in the United States, except for unscheduled emergent work.

Section 9100 has been added which revises the pay date for basic pay, basic allowance for quarters, basic allowance for subsistence, and other payments of military compensation.

Section 9101 has been added which imposes a one-year moratorium on all nuclear testing if the Soviets also observe such a moratorium.

Section 9102 has been added which limits U.S. strategic nuclear forces to the numericals sublimits allowed in the SALT II agreement unless the President certifies to Congress that the Soviet Union has exceeded those limits.

Section 9103 has been added which prohibits, until October 1, 1987, funds to carry out a test of the Space Defense System against an object in space until the President has certified that the Soviet Union, after the date of enactment of this Act, has conducted such a test.

Section 9104 has been added which prohibits obligation of funds for chemical weapons and associated production facilities for one year, places limitation on the removal of chemical weapons from Europe, and requires certain reports.

Section 9105 has been added which prohibits funds to seek a second production source for, or procurement or product improvement of the Copperhead projectile.

Section 9106 has been added which prohibits funds for the Strategic Defense Initiative Institute unless such funds are specifically authorized and appropriated in an Act other than this Act.

Section 9107 has been added which prohibits funds for the procurement of 9mm handguns until such time as the current procurement contract is cancelled and the performance specifications recompeted.

Section 9108 has been added which prohibits funds to implement or enforce the rule proposed on May 7, 1986 (51 Fed. Reg. 16988-16991), or Section 8.304-91 of the Air Force FAR Supplement issued on June 24, 1985.

## COMPLIANCE WITH RULE XIII—CLAUSE 3

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Section 4 of Chapter III of the Supplemental Appropriations Act, 1986 (Public Law 99-349) is amended as follows:

SEC. 4. Of the amounts available to the Department of Defense, not to exceed $5,000,000 shall be available for such claims arising from property losses caused by the explosion of Army munitions near Checotah, Oklahoma, on August 4, 1985, and claims determined by the Department to be bona fide shall be paid from the funds made available by this section *without a determination of legal liability based on an act or omission of an agent or employee of the Federal government.*

The table of sections at the beginning of Chapter 19 of title 37, United States Code, is amended as follows:

### CHAPTER 19—ADMINISTRATION

Sec.
1001. Regulations relating to pay and allowances.
1002. Additional training or duty without pay: Reserves and members of National Guard
1003. Assimilation of pay and allowances.
1004. Computation of pay and allowances for month or part of month.
1005. Army and Air Force: prompt payments required.
1006. Advance payments.
1007. Deductions from pay.
1008. Presidential recommendations concerning adjustments and changes in pay and allowances.
1009. Adjustments of compensation.
1010. Commissioned officers: promotions; effective date for pay and allowances.
1011. Mess operations: reimbursement of expenses.
1012. Disbursement and accounting.
*1013. Payment date for pay and allowances.*

Chapter 19 of title 37, United States Code, is amended as follows:

### § 1012. Disbursement and accounting

Amounts appropriated under sections 206(a), (b), and (d), 301(f), 309, 402(b) (last sentence), and 1002 of this title for pay of enlisted members of the Army National Guard of the United States or the Air National Guard of the United States for attending regular periods of duty and instruction shall be disbursed and accounted for by the Secretary concerned. Disbursements shall be made for 3-month periods for units of the Army National Guard or Air National Guard under regulations prescribed by the Secretary concerned, and on pay rolls prepared and authenticated under the regulations.

***1013. Payment date for pay and allowances***

*(a) Amounts of basic pay, basic allowance for quarters, basic allowance for subsistence, and other payments of military compensation (other than travel and transportation allowances and separation allowances) shall be paid on the first day of the month beginning after the month during which the right to such compensation accrues.*

*(b) Subsection (a) does not preclude one payment in midmonth for any element of compensation and does not affect any authority to make advance payments of pay and allowances.*

Section 1466(a)(2) of title 10, United States Code, is amended as follows:

**§ 1466. Payments into the Fund**

(a) The Secretary of Defense shall pay into the Fund at the end of each month as the Department of Defense contribution to the Fund for that month the amount that is the product of—

(1) the level percentage of basic pay determined under the most recent (as of the first day of the current fiscal year) actuarial valuation under section 1465(c) of this title; and

(2) the total amount of basic pay [paid] *accrued* that month to members of the armed forces (other than the Coast Guard) on active duty or in the Selected Reserve.

Amounts paid into the Fund under this subsection shall be paid from funds available for the pay of members of the armed forces under the jurisdiction of the Secretary of a military department.

## INFLATIONARY IMPACT STATEMENT

Pursuant to Clause 2(l)(4), rule XI of the House of Representatives, the following statement is made.

The bill reported will provide $267,769,416,000 in total obligational authority. This is a decrease of $3,377,369,000 below the amount appropriated for similar purposes for fiscal year 1986 after sequestration. It is also $31,262,722,000 below the budget request for fiscal year 1987.

The appropriation as proposed by the Committee should not cause inflation to increase to as great an extent than would enactment of the budgeted amount. The real growth in Defense spending will have little inflationary effect in comparison to the forecasted $4,629 billion gross national product for 1987.

## TRANSFER OF FUNDS

Pursuant to clause 1(b)(3), rule X of the House of Representatives, the following is submitted describing the transfer of funds provided in the accompanying bill.

The Committee recommends transfers of prior year unobligated balances to fiscal year 1987 totaling $2,664,600,000. These transfers are made from funds appropriated in fiscal years 1982 through 1986 and are no longer required for the purposes for which appropriated as a result of Department of Defense decisions, Congressional denial of reprogramming requests, or Committee recommendations.

The following table shows the title and appropriations affected by the transfers:

| Appropriation to which transfer is made | Amount | Appropriations from which transfer is made | Amount |
|---|---|---|---|
| Aircraft procurement, Army | 19,100,000 | Aircraft procurement, Army, 1985/1987 | 3,600,000 |
| | | Aircraft procurement, Army, 1986/1988 | 15,500,000 |
| Missile procurement, Army | 58,200,000 | Missile procurement, Army 1985/1987 | 16,900,000 |
| | | Missile procurement, Army, 1986/1988 | 41,300,000 |
| Procurement of weapons and tracked combat vehicles, Army. | 8,500,000 | Procurement of weapons and tracked combat vehicles, Army, 1986/1988. | 8,500,000 |
| Procurement of ammunition, Army | 39,562,000 | Procurement of ammunition, Army 1986/1988 | 39,562,000 |
| Other procurement, Army | 251,000,000 | Other procurement, Army, 1985/1987 | 91,000,000 |
| | | Other procurement, Army, 1986/1988 | 160,000,000 |
| Aircraft procurement, Navy | 155,574,000 | Aircraft procurement, Navy, 1985/1987 | 21,274,000 |
| | | Aircraft procurement, Navy, 1986/1988 | 134,300,000 |
| Weapons procurement, Navy | 160,667,000 | Weapons procurement, Navy, 1985/1987 | 42,900,000 |
| | | Weapons procurement, Navy, 1986/1988 | 117,767,000 |
| Shipbuilding and conversion, Navy | 902,600,000 | Shipbuilding and conversion, Navy, 1982/1986 | 46,800,000 |
| | | Shipbuilding and conversion, Navy, 1983/1987 | 328,600,000 |
| | | Shipbuilding and conversion, Navy, 1984/1988 | 67,900,000 |
| | | Shipbuilding and conversion, Navy, 1985/1989 | 19,000,000 |
| | | Shipbuilding and conversion, Navy, 1986/1990 | 440,300,000 |
| Other procurement, Navy | 95,413,000 | Other procurement, Navy, 1985/1987 | 5,094,000 |
| | | Other procurement, Navy, 1986/1988 | 90,319,000 |
| Procurement, Marine Corps | 26,500,000 | Procurement, Marine Corps, 1985/1987 | 7,100,000 |
| | | Procurement, Marine Corps, 1986/1988 | 19,400,000 |
| Aircraft procurement, Air Force | 606,300,000 | Aircraft procurement, Air Force, 1985/1987 | 349,300,000 |
| | | Aircraft procurement, Air Force, 1986/1988 | 257,000,000 |
| Missile procurement, Air Force | 117,900,000 | Missile procurement, Air Force, 1985/1987 | 81,400,000 |
| | | Missile procurement, Air Force, 1986/1988 | 36,500,000 |
| Other procurement, Air Force | 78,711,000 | Other procurement, Air Force, 1985/1987 | 56,311,000 |
| | | Other procurement, Air Force 1986/1988 | 22,400,000 |
| Research, development, test, and evaluation, Army. | 22,823,000 | Research, development, test, and evaluation, Army 1986/1987. | 22,823,000 |
| Research, development, test, and evaluation, Navy. | 29,050,000 | Research, development, test, and evaluation, Navy, 1986/1987. | 29,050,000 |
| Research, development, test, and evaluation, Air Force. | 66,200,000 | Research, development, test, and evaluation, Air Force, 1986/1987. | 66,200,000 |
| Research, development, test, and evaluation, Defense agencies. | 26,500,000 | Research, Development, test, and evaluation, Defense agencies, 1986/1987. | 26,500,000 |

Environmental Restoration, Defense contains language which allows transfer of funds from this appropriation to other DOD appropriations to be available for the same purposes and time period.

Research, development, test, and evaluation, Defense Agencies contains language which allows transfer of funds between this account and other appropriation accounts for research programs to be available for the same purposes and time period.

Nine general provisions (sections 9015, 9016, 9037, 9044, 9046, 9060, 9077, 9091, and 9098) contain language which allows transfer of funds between accounts.

## COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares with the reports submitted under section 302 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

[Dollars in millions]

| | Sec. 302(b) | | | This bill | | |
|---|---|---|---|---|---|---|
| | Discretionary | Mandatory | Total | Discretionary | Mandatory | Total |
| Budget authority | 274,440 | 382 | 274,822 | 264,750 | 355 | 265,105 |
| Outlays | 158,133 | 103,714 | 261,847 | 156,827 | 103,582 | 260,408 |
| Direct loans | | | | | | |
| Primary guarantees | | | | | | |

The bill provides no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended.

## FIVE-YEAR PROJECTIONS

In compliance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the following table contains five-year projections associated with the budget authority provided in the accompanying bill:

[In thousands]

| | |
|---|---|
| Budget authority | $265,104,816 |
| Outlays: | |
| Fiscal year 1987 | 157,060,690 |
| Fiscal year 1988 | 60,318,728 |
| Fiscal year 1989 | 28,109,677 |
| Fiscal year 1990 | 9,126,064 |
| Fiscal year 1991 and future years | 8,158,059 |

## FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(D) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, no new budget or outlays are provided by the accompanying bill for financial assistance to state and local governments.

# DISSENTING VIEWS SUBMITTED BY THE HONORABLE STENY H. HOYER

The Full Committee has blocked the funds for procurement of the 9 MM handgun until the Army terminates its existing five year contract with Beretta USA and recompetes the performance specifications. The Committee has allowed $31.2 million to pay for the existing orders of 114,030 Beretta pistols as well as orders for repair parts and magazines, but only on the condition that the contractor and the government "negotiate a limitation on cancellation fees and termination costs that is acceptable to the Committees on Appropriations."

The Committee took this action in contradiction to the GAO's recommendation that a study be done "to determine the feasibility, from the standpoint of cost and mission, of reopening the competition and solicitation price proposals from the three technically acceptable candidates . . ." Its action was also inconsistent with the GAO's testimony before the Subcommittee on Legislation and National Security of the Government Operations Committee. The GAO stated that "it was unclear what action, if any, would be in the government's best interest and that the Congress may wish to direct the Army to conduct such a feasibility study."

The contract is in the second year of its five year term to deliver 320,030 new pistols at a cost of approximately $65 million. Over 168 new American jobs have already been created and over $3 million in capital construction has been invested in Accokeek, Maryland to date to meet existing orders, and an additional 250 jobs and $7 million additional capital investment would be added in the next two years. 114,030 pistols have already been ordered by the Army, along with 50% of necessary spare parts.

Clearly the Committee's action to force the Army to breach its contract with Beretta USA not only runs the risk of defeating the objective of having a uniform personal defense weapon for the Armed Services but will also entail substantial costs. In point of fact, James Ambrose, Under Secretary of the Army, wrote to the Committee Chairman that such recompetition "would needlessly result in a waste of between $8 and $15 million of taxpayer's money."

Such costs might be justifiable if the Army had acted wrongly. However, it is clear from both the Army's reports, the GAO report, and the decisions of both the U.S. District Court of Massachusetts and the U.S. Court of Appeals for the First Circuit that this is not the case.

First, the Army took extraordinary measures to ensure that all competitors were fully informed of the testing requirments before accepting samples. Specifically, the Request for Test Samples (RFTS) required a minimum firing pin energy of 24 inch-ounces and an expected service life of at least 5,000 rounds. The Army held a special technical conference at which competitors could object to any of the requirements in the RFTS. As was noted by the Court of Appeals. "Smith and Wesson did not object to any of the proposed RFTS procedures or requirements." It was not until Smith and Wesson was eliminated from the competition that any problem was raised regarding the Army's requirements.

It was argued before the Committee tht Smith and Wesson was unfairly excluded from the price competition on two grounds. First, it was claimed that the Army overstated the requirement for firing pin energy. This ignored however, the Army's reasoning, outlined in their response to the GAO report, that "The requirement for 24 inch ounce firing pin energy was purposely more stringent than the NATO standard to insure any and all NATO ammunition could be fired." Further, it was also evidently not enough for proponents of Smith and Wesson that the District Court devoted 7 pages of a 25 page decision to review of this matter and concluded "the method used by the Army to measure firing pin energy indent yielded accurate results." But I find it unfortunate that the Committee could ignore the conclusion of the Court of Appeals which, after a thorough review of this issue concluded, "Smith and Wesson makes so many blunderbuss charges against the accuracy and validity of the firing pin energy tests that it is difficult to sort out the duds from the live charges. . . . The record shows that this method of indent measurement was a standard procedure used in thousands of tests for at least twelve years. All of the weapons were submitted to the same tests. It is possible that more accurate test methods could have been used, but we are convinced that there was nothing unfair, invalid or basically inaccurate in the indent testing. *It follows, therefore, that the Army's determination that Smith and Wesson's weapons did not meet the firing pin energy test must stand.*" Smith and Wesson failed to meet the standard established by the Army and the Army's finding of such failure was clearly correct.

Second, it was argued before the Committee and asserted by the GAO, that the expected service life requirement should have been an average and not an absolute minimum test standard by the Army. Again, this ignored the Army's explanation, which clearly stated that "The term 'expected' is defined in the Test and Evaluation Plan as the minimum service life per weapon, not average service life for all test weapons. This is not just found in military specifications. Federal small arms weapon specifications also define 'expected' service life as meaning minimum, not average. Federal specifications further define zero frame failures as a demonstration of endurance and service life, supporting the Army's position."

The GAO report and Smith and Wesson admit that one of Smith and Wesson's three test weapons developed a frame crack before firing 5,000 rounds, the minimum test requirement. In fact, another one of Smith and Wesson's weapons developed a crack before firing 7,000 rounds. *None* of Beretta's three test weapons experienced any frame failures after firing 7,000 rounds. Smith and Wesson clearly failed this minimum requirement, as well.

Again, the issue of expected service life was considered at length in the litigation brought by Smith and Wesson and the District Court held that, "the Army did not materially deviate from the

5,000 round service life requirement announced in the RFTS; rather, the Army, in its evaluation process, merely placed a reasonable interpretation on the requirement, namely, that a weapon fire 5,000 rounds without a crack in the receiver in order to pass." This was again upheld by the Court of Appeals, which ruled: "There was nothing irrational, unfair, or inaccurate about the service-life test. We find and rule that the decision of the Army that Smith and Wesson's weapons failed to meet the firing-pin-energy requirement and the service life requirement was neither irrational nor a violation of applicable statutes and regulations."

I believe it is unfortunate in light of the above that the Committee would act to recommend termination of the existing contract and order recompetition. Smith and Wesson had every opportunity to raise every issue raised in the GAO report before the Courts. For this Committee to override its carefully considered, independent determinations, is to compromise our procurement policies and erode public confidence in the impartiality of the process.

The standard of the law in procurement matters is that "A procurement contract (should) not be set aside at the behest of a 'disappointed bidder' unless the awarding agency's decision was irrational or clearly illegal." The District Court and the U.S. Court of Appeals for the First District have found that the facts do not warrant the setting aside of this contract. The Committee should not disturb that judgment.

Absolutely no charge was made before the Committee that the Army's decision was either irrational or illegal. In fact, no attempt was made to dispute the U.S. Court of Appeals decision when it concluded: "The case was well tried by Smith and Wesson's counsel, but the ammunition available was not sufficient to pierce the Army's impregnable shield of rationality and legality."

In closing, I strongly disagree with the Committee's action to terminate what has been a successful procurement to date and agree with the Army that this termination would "result in the needless waste of tax dollars, and could lead to a proliferation of weapons in direct contravention of the Congressional mandate to curb such proliferation." In acting today, the Committee has interjected itself inappropriately and unnecessarily into the judicial and contracting process by overturning the Court of Appeals without cause. I would hope that this ill advised and inappropriate precedent would be overturned and not agreed to by the Congress.

STENY H. HOYER.

## COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987

| Agency and item | New budget (obligational) authority, fiscal year 1986 [1] | Budget estimates of new (obligational) authority, fiscal year 1987 | New budget (obligational) authority recommended in bill | Bill compared with— | |
|---|---|---|---|---|---|
| | | | | New budget (obligational) authority, fiscal year 1986 | Budget estimates of new (obligational) authority, fiscal year 1987 |
| TITLE I | | | | | |
| MILITARY PERSONNEL | | | | | |
| Military Personnel, Army | 21,003,688,000 | 22,655,000,000 | 22,270,626,000 | +1,266,938,000 | -384,374,000 |
| Military Personnel, Navy | 15,875,246,000 | 17,459,500,000 | 17,056,104,000 | +1,180,858,000 | -403,396,000 |
| Military Personnel, Marine Corps | 4,853,944,000 | 5,333,400,000 | 5,245,086,000 | +391,142,000 | -88,314,000 |
| Military Personnel, Air Force | 17,698,217,000 | 19,290,500,000 | 18,810,225,000 | +1,112,008,000 | -480,275,000 |
| Reserve Personnel, Army | 2,145,194,000 | 2,432,000,000 | 2,330,830,000 | +185,636,000 | -101,170,000 |
| Reserve Personnel, Navy | 1,264,599,000 | 1,527,600,000 | 1,436,680,000 | +172,081,000 | -90,920,000 |
| Reserve Personnel, Marine Corps | 270,926,000 | 314,800,000 | 300,100,000 | +29,174,000 | -14,700,000 |
| Reserve Personnel, Air Force | 580,507,000 | 646,000,000 | 628,977,000 | +48,470,000 | -17,023,000 |
| National Guard Personnel, Army | 3,056,818,000 | 3,485,200,000 | 3,303,174,000 | +246,356,000 | -182,026,000 |
| National Guard Personnel, Air Force | 922,797,000 | 1,058,900,000 | 1,022,310,000 | +99,513,000 | -36,590,000 |
| Total, title I, Military Personnel: New budget (obligational) authority | 67,671,936,000 | 74,202,900,000 | 72,404,112,000 | +4,732,176,000 | -1,798,788,000 |
| TITLE II | | | | | |
| OPERATION AND MAINTENANCE | | | | | |
| Operation and Maintenance, Army | 18,045,707,000 | 21,341,870,000 | 19,774,531,000 | +1,728,824,000 | -1,567,339,000 |
| Operation and Maintenance, Navy | 23,277,695,000 | 25,688,500,000 | 22,993,227,000 | -284,468,000 | -2,695,273,000 |
| Operation and Maintenance, Marine Corps | 1,533,060,000 | 1,864,100,000 | 1,793,338,000 | +260,278,000 | -70,762,000 |
| Operation and Maintenance, Air Force | 18,579,509,000 | 21,214,500,000 | 18,893,758,000 | +314,249,000 | -2,320,742,000 |
| Operation and Maintenance, Defense Agencies | 7,068,373,000 | 6,833,197,000 | 6,300,040,000 | -768,333,000 | -533,157,000 |
| Operation and Maintenance, Army Reserve | 741,875,000 | 793,100,000 | 769,298,000 | +27,423,000 | -23,802,000 |
| Operation and Maintenance, Navy Reserve | 851,097,000 | 975,900,000 | 869,847,000 | +18,750,000 | -106,053,000 |
| Operation and Maintenance, Marine Corps Reserve | 54,399,000 | 65,300,000 | 63,218,000 | +8,819,000 | -2,082,000 |
| Operation and Maintenance, Air Force Reserve | 858,495,000 | 975,600,000 | 922,100,000 | +63,605,000 | -53,500,000 |
| Operation and Maintenance, Army National Guard | 1,573,137,000 | 1,786,900,000 | 1,734,696,000 | +161,559,000 | -52,204,000 |
| Operation and Maintenance, Air National Guard | 1,717,698,000 | 1,932,700,000 | 1,790,384,000 | +72,686,000 | -142,316,000 |

| | | | | | |
|---|---|---|---|---|---|
| National Board for the Promotion of Rifle Practice, Army | 875,000 | 930,000 | 4,316,000 | +3,441,000 | +3,386,000 |
| Military Health Care | --- | 1,740,503,000 | 1,679,409,000 | +1,679,409,000 | -61,094,000 |
| Claims, Defense | 143,300,000 | 155,600,000 | 144,400,000 | +1,100,000 | -11,200,000 |
| Court of Military Appeals, Defense | 3,043,000 | 3,400,000 | 3,200,000 | +157,000 | -200,000 |
| Tenth International Pan American Games | 9,510,000 | 15,000,000 | 15,000,000 | +5,490,000 | --- |
| Environmental Restoration, Defense | 360,524,000 | 385,900,000 | 346,100,000 | -14,424,000 | -39,800,000 |
| Humanitarian Assistance | --- | --- | 6,000,000 | +6,000,000 | +6,000,000 |
| Humanitarian Assistance Reappropriation | --- | --- | 7,000,000 | +7,000,000 | +7,000,000 |
| Total, title II, Operation and Maintenance: New budget (obligational) authority | 74,818,297,000 | 85,773,000,000 | 78,109,862,000 | +3,291,565,000 | -7,663,138,000 |

## TITLE III

## PROCUREMENT

| | | | | | |
|---|---|---|---|---|---|
| Aircraft Procurement, Army | 3,351,514,000 | 3,264,700,000 | 2,798,050,000 | -553,464,000 | -466,650,000 |
| (Transfer from other accounts) | --- | --- | (19,100,000) | (+19,100,000) | (+19,100,000) |
| Missile Procurement, Army | 2,762,020,000 | 2,438,200,000 | 2,003,300,000 | -758,720,000 | -434,900,000 |
| (Transfer from other accounts) | --- | --- | (58,200,000) | (+58,200,000) | (+58,200,000) |
| Procurement of Weapons and Tracked Combat Vehicles, Army | 4,455,245,000 | 4,452,600,000 | 3,828,000,000 | -627,245,000 | -624,600,000 |
| Rescission | -34,400,000 | --- | --- | +34,400,000 | --- |
| (Transfer from other accounts) | --- | --- | (8,500,000) | (+8,500,000) | (+8,500,000) |
| Procurement of Ammunition, Army | 2,374,837,000 | 2,254,000,000 | 2,068,988,000 | -305,849,000 | -185,012,000 |
| (Transfer from other accounts) | --- | --- | (39,562,000) | (+39,562,000) | (+39,562,000) |
| Other Procurement, Army | 5,018,700,000 | 6,169,000,000 | 4,641,811,000 | -376,889,000 | -1,527,189,000 |
| (Transfer from other accounts) | --- | --- | (251,000,000) | (+251,000,000) | (+251,000,000) |
| Aircraft Procurement, Navy | 10,628,070,000 | 11,304,300,000 | 9,039,452,000 | -1,588,618,000 | -2,264,848,000 |
| (Transfer from other accounts) | --- | --- | (155,574,000) | (+155,574,000) | (+155,574,000) |
| Weapons Procurement, Navy | 4,971,638,000 | 6,095,400,000 | 5,047,440,000 | +75,802,000 | -1,047,960,000 |
| (Transfer from other accounts) | --- | --- | (160,667,000) | (+160,667,000) | (+160,667,000) |
| Shipbuilding and Conversion, Navy | 10,350,341,000 | 11,046,200,000 | 9,213,100,000 | -1,137,241,000 | -1,833,100,000 |
| Rescission | -40,100,000 | --- | --- | +40,100,000 | --- |
| (Transfer from other accounts) | --- | --- | (902,600,000) | (+902,600,000) | (+902,600,000) |
| Other Procurement, Navy | 6,081,631,000 | 6,538,800,000 | 5,492,515,000 | -589,116,000 | -1,046,285,000 |
| (Transfer from other accounts) | --- | --- | (95,413,000) | (+95,413,000) | (+95,413,000) |
| Coastal Defense Augmentation | 223,485,000 | --- | --- | -223,485,000 | --- |
| Procurement, Marine Corps | 1,579,388,000 | 1,565,000,000 | 1,444,896,000 | -134,492,000 | -120,104,000 |
| (Transfer from other accounts) | --- | --- | (26,500,000) | (+26,500,000) | (+26,500,000) |
| Aircraft Procurement, Air Force | 22,115,908,000 | 19,127,400,000 | 16,202,251,000 | -5,913,657,000 | -2,925,149,000 |
| (Transfer from other accounts) | --- | --- | (606,300,000) | (+606,300,000) | (+606,300,000) |
| Missile Procurement, Air Force | 7,905,132,000 | 8,982,400,000 | 6,725,777,000 | -1,179,355,000 | -2,256,623,000 |
| (Transfer from other accounts) | (345,400,000) | --- | (117,900,000) | (-227,500,000) | (+117,900,000) |

# COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—Continued

| Agency and item | New budget (obligational) authority, fiscal year 1986 [1] | Budget estimates of new (obligational) authority, fiscal year 1987 | New budget (obligational) authority recommended in bill | Bill compared with— New budget (obligational) authority, fiscal year 1986 | Bill compared with— Budget estimates of new (obligational) authority, fiscal year 1987 |
|---|---|---|---|---|---|
| Other Procurement, Air Force | 8,152,382,000 | 10,900,300,000 | 8,654,521,000 | +502,139,000 | -2,245,779,000 |
| Rescission | -40,000,000 | --- | --- | +40,000,000 | --- |
| (Transfer from other accounts) | --- | --- | (78,711,000) | (+78,711,000) | (+78,711,000) |
| National Guard and Reserve Equipment | 1,469,538,000 | --- | 752,068,000 | -717,470,000 | +752,068,000 |
| Procurement, Defense Agencies | 1,238,906,000 | 1,488,400,000 | 1,503,361,000 | +264,455,000 | +14,961,000 |
| (Transfer from other accounts) | --- | --- | --- | --- | --- |
| Defense Production Act Purchases | 29,481,000 | 30,000,000 | 40,000,000 | +10,519,000 | +10,000,000 |
| NATO Cooperative Defense Programs | 14,265,000 | --- | --- | -14,265,000 | --- |
| Total, title III, Procurement: | | | | | |
| New budget (obligationsl) authority (net) | 92,607,981,000 | 95,656,700,000 | 79,455,530,000 | -13,152,451,000 | -16,201,170,000 |
| Appropriations | (92,722,481,000) | (95,656,700,000) | (79,455,530,000) | (-13,266,951,000) | (-16,201,170,000) |
| Rescissions | (-114,500,000) | --- | --- | (+114,500,000) | --- |
| (Transfer from other accounts) | (345,400,000) | --- | (2,520,027,000) | (+2,174,627,000) | (+2,520,027,000) |
| TITLE IV | | | | | |
| RESEARCH, DEVELOPMENT, TEST, AND EVALUATION | | | | | |
| Research, Development, Test, and Evaluation, Army | 4,563,062,000 | 5,550,300,000 | 4,426,660,000 | -136,402,000 | -1,123,640,000 |
| (Transfer from other accounts) | --- | --- | (22,823,000) | (+22,823,000) | (+22,823,000) |
| Research, Development, Test, and Evaluation, Navy | 9,572,042,000 | 10,586,800,000 | 8,640,727,000 | -931,315,000 | -1,946,073,000 |
| (Transfer from other accounts) | --- | --- | (29,050,000) | (+29,050,000) | (+29,050,000) |
| Research, Development, Test, and Evaluation, Air Force | 13,046,016,000 | 17,275,400,000 | 14,190,262,000 | +1,144,246,000 | -3,085,138,000 |
| (Transfer from other accounts) | (316,886,000) | --- | (66,200,000) | (-250,686,000) | (+66,200,000) |
| Research, Development, Test, and Evaluation, Defense Agencies | 6,312,154,000 | 8,364,300,000 | 6,577,588,000 | +265,434,000 | -1,786,712,000 |
| (Transfer from other accounts) | --- | --- | (26,500,000) | (+26,500,000) | (+26,500,000) |

| | | | | | |
|---|---|---|---|---|---|
| Developmental Test and Evaluation, Defense | 113,918,000 | 141,800,000 | 109,537,000 | -4,381,000 | -32,263,000 |
| Operational Test and Evaluation, Defense | --- | 11,300,000 | 11,300,000 | +11,300,000 | --- |
| Total, title IV, Research, Development, Test, and Evaluation: | | | | | |
| New budget (obligational) authority | 33,607,192,000 | 41,929,900,000 | 33,956,074,000 | +348,882,000 | -7,973,826,000 |
| (Transfer from other accounts) | (316,886,000) | --- | (144,573,000) | (-172,313,000) | (+144,573,000) |

## TITLE V

## SPECIAL FOREIGN CURRENCY PROGRAM

| | | | | | |
|---|---|---|---|---|---|
| Special foreign currency program | 1,997,000 | 3,500,000 | 3,500,000 | +1,503,000 | --- |

## TITLE VI

## REVOLVING AND MANAGEMENT FUNDS

| | | | | | |
|---|---|---|---|---|---|
| Army Stock Fund | 373,743,000 | 296,700,000 | 230,138,000 | -143,605,000 | -66,562,000 |
| Navy Stock Fund | 607,213,000 | 478,500,000 | 379,570,000 | -227,643,000 | -98,930,000 |
| Marine Corps Stock Fund | 35,853,000 | 45,900,000 | 31,233,000 | -4,620,000 | -14,667,000 |
| Air Force Stock Fund | 395,521,000 | 239,400,000 | 200,410,000 | -195,111,000 | -38,990,000 |
| Defense Stock Fund | 142,365,000 | 136,800,000 | 66,949,000 | -75,416,000 | -69,851,000 |
| ADP Equipment Management fund | 100,000,000 | --- | --- | -100,000,000 | --- |
| Total, title VI, Revolving and Management Funds: | | | | | |
| New budget (obligational) authority | 1,654,695,000 | 1,197,300,000 | 908,300,000 | -746,395,000 | -289,000,000 |

## TITLE VII 2/

## CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE

| | | | | | |
|---|---|---|---|---|---|
| Operation and maintenance | --- | 60,500,000 | 60,500,000 | +60,500,000 | --- |
| Procurement | --- | 49,800,000 | 49,800,000 | +49,800,000 | --- |
| Research, development, test, and evaluation | --- | 9,800,000 | 9,800,000 | +9,800,000 | --- |
| Total, Chemical Agents and Munitions Destruction, Defense | --- | 120,100,000 | 120,100,000 | +120,100,000 | --- |

## COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—Continued

| Agency and item | New budget (obligational) authority, fiscal year 1986 [1] | Budget estimates of new (obligational) authority, fiscal year 1987 | New budget (obligational) authority recommended in bill | Bill compared with— New budget (obligational) authority, fiscal year 1986 | Bill compared with— Budget estimates of new (obligational) authority, fiscal year 1987 |
|---|---|---|---|---|---|
| TITLE VIII | | | | | |
| RELATED AGENCIES | | | | | |
| Intelligence Community Staff | 21,001,000 | 22,938,000 | 21,538,000 | +537,000 | -1,400,000 |
| Central Intelligence Agency Retirement and Disability System Fund | 101,400,000 | 125,800,000 | 125,800,000 | +24,400,000 | --- |
| Total, title VII, Related Agencies: New budget (obligational) authority | 122,401,000 | 148,738,000 | 147,338,000 | +24,937,000 | -1,400,000 |
| TITLE IX | | | | | |
| GENERAL PROVISIONS | | | | | |
| (Additional transfer authority, sec. 9015) | (950,000,000) | (1,200,000,000) | (1,200,000,000) | (+250,000,000) | --- |
| Total, Department of Defense (NOA) | 270,484,499,000 | 299,032,138,000 | 265,104,816,000 | -5,379,683,000 | -33,927,322,000 |
| (Transfer from other accounts) | (662,286,000) | --- | (2,664,600,000) | (+2,002,314,000) | (+2,664,600,000) |
| Total funding available | 271,146,785,000 | 299,032,138,000 | 267,769,416,000 | -3,377,369,000 | -31,262,722,000 |
| (Transfer authority) | (950,000,000) | (1,200,000,000) | (1,200,000,000) | (+250,000,000) | --- |

1/ Represents appropriations after Gramm-Rudman-Hollings reductions and includes amounts in "Urgent Supplemental Appropriations Act, 1986."

2/ Submitted in the budget request as a line item in Title III--Procurement.